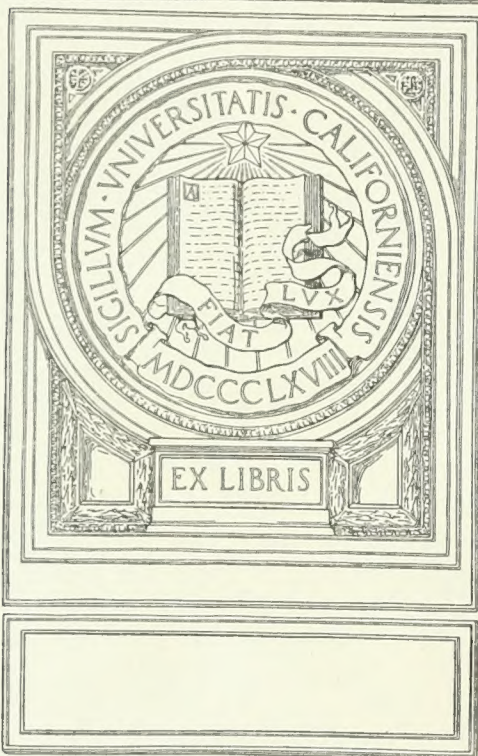


UNIVERSITY OF CALIFORNIA
AT LOS ANGELES



THIRD REPORT

FROM THE

SELECT COMMITTEE

OF THE

HOUSE OF COMMONS,

APPOINTED TO

ENQUIRE INTO THE PRESENT STATE

OF THE

AFFAIRS OF THE EAST-INDIA COMPANY,

TOGETHER WITH THE

MINUTES OF EVIDENCE,

ACCOUNTS AND PAPERS LAID BEFORE THE COMMITTEE,

AND

AN INDEX.

LONDON:

PRINTED BY ORDER OF THE HONOURABLE COURT OF DIRECTORS,

BY J. L. COX AND SON, GREAT QUEEN STREET.

1832.

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THIRD REPORT.

THE SELECT COMMITTEE appointed on the present state of the AFFAIRS of the EAST-INDIA COMPANY, and to inquire into the state of TRADE between *Great Britain*, the *East-Indies*, and *China*, and to report their Observations thereupon to the House : and who were empowered to report the MINUTES of EVIDENCE taken before them from time to time to the House, and to whom certain Petitions presented to the House in the present Session of Parliament were referred :—

HAVING considered the Matters referred to them, and having called for Evidence and Documents upon subjects connected with the Affairs of the East-India Company of much importance, have agreed that such Information should be reported to the House, without thinking it necessary at present to make any Observations thereupon.

11th October 1831.

LIST OF WITNESSES.

[illegible]

MINUTES OF EVIDENCE.

12 July—6 October, 1831.

MINUTES OF EVIDENCE.

Martis, 12^o die Julii 1831.

Sir JAMES MACDONALD, Bart. in the Chair.

Captain THOMAS BLAIR called in, and examined.

2551. ARE you in the Company's naval service?—I am.

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2552. What ship did you command?—The William Fairlie.

Captain T. Blair.

2553. Were you in Canton between November and December 1830?—
Yes, I was.

2554. Did you arrive with the fleet at Whampoa?—We arrived in China, I think, on the 4th of August; my ship was detained at Hong Kong Bay until the arrival of the fleet, and we went up in divisions; I was the third arrival in China.

2555. Did the fleet go up as usual to the place of anchoring at Whampoa, or did they wait at Macao for any time?—I arrived on the 4th of August, and received orders from the Select Committee to proceed to Hong Kong Bay, stating as a reason, that the unhealthiness that prevailed in China at that season had induced them to keep the ships outside for a period, and I remained at Hong Kong Bay for about six weeks.

2556. Had you ever been at Canton before?—Frequently.

2557. Had you ever arrived during that month?—Yes.

2558. Were you ever ordered before to go to Hong Kong Bay?—No; we always proceeded into the river, as soon as we got our pilot, to the anchorage at Whampoa.

2559. Were you the first ship that was ordered to go to this bay?—There were two ships before me, the Duchess of Athol and the Thomas C'outts, that had arrived about a fortnight before me.

2560. Who was the senior officer of the three?—Captain Daniel, of the Duchess of Athol.

2561. Did you see the orders he received?—I had a letter from the Committee, which was in the same words as the order to him.

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2562. What other ships joined you?—I think there were six or seven others arrived at various periods.

2563. How many had collected at that bay before you received orders to proceed to Whampoa?—As nearly as I can recollect I should think ten sail, and several others arrived at Lintin, which is the usual place of entering the river before we get pilots; but the Committee having come to the resolution of allowing the ships to go up, those ships were detained at Lintin, making altogether, with those which had previously arrived, sixteen or eighteen ships, till we who had first arrived had proceeded up the river.

2564. Upon what day in September did you receive orders to proceed to Whampoa?—I think the order we got was on the 14th of September, and I arrived on the morning of the 17th at Whampoa.

2565. Did all the ships go up?—The three first went, the others were desired not to leave till we three, who had been the first arrived, should proceed. I believe the reason that was given was that if the whole fleet went up together there might be confusion.

2566. Were any of the country ships directed to go to Lintin?—No, only the Company's regular ships.

2567. You know no other reason why you were directed to remain there, excepting the alleged sick state of Canton?—That was the only reason. We, the three captains, wrote a letter, requesting permission, in consequence of our own private investments, to proceed to Whampoa; it was stated, in consequence of the unhealthiness, that they had come to the resolution not to allow the ships to go up so soon, regretting they could not grant our request.

2568. How long did you remain at Whampoa?—I think I sailed for England on the 15th or 16th of November; I was one of the first despatched of the season; none of the Company's ships ever sail before that period.

2569. During the time you remained there, were you directed to send an armed boat with armed men up to Canton?—Yes, I was desired to send a boat, and I think six men, an officer, and a midshipman.

2570. Did the orders come to you, or through the senior officer?—The order I think came to myself; it is generally addressed to the commander of the ship. I think I must have been at Canton at the time I received the order.

2571. Who was the senior officer of the fleet?—Captain Innes, of the *Abercrombie Robinson*.

2572. What were the orders you received?—I forget how it was stated; but to send a small boat with six men, with muskets, bayonets, &c. and a certain quantity of ammunition, and an officer and midshipman to remain in the Company's factory.

2573. Did every ship in the fleet receive the same order?—Yes.

2574. How

2574. How many men proceeded then to Canton?—I should think at one time there were about 140 men. 12 July 1831.

2575. Did they receive orders to leave the ship at night, and be up before daylight at Canton?—Some threat of the Chinese, I believe, in the early part of the day, to the members of the factory, had induced them to send down a boat as soon as possible, but in consequence of the time that elapsed in getting there, I believe the men could not get away till nearly midnight, and they were all in the factory the next morning; such boats crews as were in Canton taking up the officers and captains, and so on, were detained and armed, and kept in the factory till the arrival of those boats that were ordered.

Captain T. Blair.

2576. Where did those crews who were at Canton at the time the order was issued receive arms?—I believe there are some arms in the Company's factory.

2577. Were not your men also armed with cutlasses and pistols?—Yes.

2578. In fact, completely armed?—Yes.

2579. Were there any carronades?—There were two 32-pound carronades from the commodore's ship, with ammunition.

2580. Do you recollect the date of their arrival there?—I forget the date.

2581. How long did they remain at the factory?—Three weeks or a month.

2582. On the arrival, who took charge of those 140 men?—To every six there was an officer of one of the ships, and a midshipman; but there was generally appointed a captain of the day, and a captain at night, and after a little time one of the captains was constantly upon that service, and had charge of the men, and seeing after the provisions, &c.

2583. Were they exercised in the factory?—They were, they never went out of the factory.

2584. Do you recollect where the guns were drawn up?—Just inside the gate; there was no force whatever outside the gate.

2585. They could not be seen except the gates were opened?—Not except the gates were open; they might be seen on passing the gate.

2586. Do you know the cause of that dispute?—I believe there were several reasons stated; one was the arrival of ladies in the factory, and another the demand for those Parsees who were charged with the murder of Captain Mackenzie.

2587. You have mentioned that it had been stated Whampoa was unhealthy; did you on your coming up find that any peculiar prevalent disease had existed there?—No; not more than upon other occasions.

2588. Then of your own knowledge the season was not particularly unhealthy?—No; there was a kind of epidemic; there were a great number of men

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men in the various ships sickly, but it was very slight, and in a few days the men were at their duty again.

2589. Was it any thing more than is very often the case in China, when a disease of that kind is general?—No.

2590. Do not you know that the principal cause of that dispute was the residence of Mrs. Baynes, the wife of the chief of the factory, at Canton?—I believe that was considered one of the principal reasons.

2591. Do you not know that one of the Hong merchants called at Mr. Baynes', and informed him that the governor of Canton was extremely desirous that the English lady should be removed?—I believe there were several communications requesting the English lady to remove.

2592. Were you in the habit of reading the Canton Register, when you were there?—Sometimes.

2593. Do you recollect seeing an account of the proceedings in the Canton Register?—There was a placard hung out at the Factory in consequence of the threat of the Chinese government of seizing the persons of British subjects, that they would find protection in the British Factory, where there was an armed force for the protection of British subjects.

2594. Do you refer to this passage, "We, the President and Select Committee, do hereby give public notice to all British residents in Canton, that in consequence of a threat of the Chinese government to send an armed force to the Factory, with the avowed purpose of seizing British subjects, a body of seamen will be retained in the Company's Factories for the protection of all British subjects who may feel desirous to resort to them: signed William Baynes, Charles Millett, J. Bannerman, J. N. Daniell, Canton, 20th October, 1830?"—That is the notice I referred to.

2595. Were you present at the remonstrance from the Select Committee being presented at Canton?—I went to the city gate.

2596. Do you recollect the date at which that occurred?—I do not recollect; I should think in the early part of September, or the middle of September.

2597. Do you recollect whilst you were there, about the 21st of September, seeing a proclamation posted up by the Chinese government in the different streets leading to the foreign factories?—I have heard frequently of placards in the Chinese language stuck up in various parts of Canton, vilifying the English Factory and the English residents, but the nature of those placards I am not able to state, but they were considered very offensive, and they were one of those things which caused the deputation to be sent to the city gate, to remonstrate against it.

2598. Were you one of the parties that made that remonstrance?—I was at the time of the remonstrance from the British Factory. There was also one from the British merchants, and another from the Dutch and Europeans generally, but each for themselves presented their own petition.

2599. What

2599. What took place?—One of the gentlemen of the Factory, I think Mr. Lindsay, presented the petition; there was a little show of resistance at first, to prevent our going in, but upon forcing our entrance rapidly, we got in, and the guards or troops ranged themselves on each side, and we remained there till a Mandarin of some rank arrived, who was the military officer of the city. 12 July 1831.
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2600. Were you within the inner gate when the remonstrance was delivered to the Mandarin?—No; between the two gates, and after the delivery, we walked quietly off.

2601. Did any thing pass before your delivering the papers?—Delivering them and explaining the various petitions, who they were from.

2602. Was this before or after the armed force had been ordered up to Canton?—It was long previous.

2603. Then you do not know what was the real cause of the force being ordered up, except that you heard there was a threat?—No.

2604. Were you on duty at any time during the time you were there?—It came to my turn, the day or the night-guard, once or twice; there was always a captain of the guard; there were sentries in various parts of the interior of the Factory, and over the guns, and so on; and there was a warehouse, or a barrack.

2605. Had you more guns than the two you brought up?—There were only two large carronades, and three or four brass guns from the Company's cutter.

2606. What orders had you?—The orders sent were to acquaint the chief if there was any appearance or likelihood of disturbance, and to prevent all Chinese, who had no business there, from coming into the Factory.

2607. Did Mrs. Baynes remain all this time in the Factory?—She did.

2608. You had an opportunity of seeing her of course?—Yes; she occasionally went out in the afternoon on the water.

2609. Did any deputation of the Mandarins come to the Factory during the time you were there?—I think the Hong merchants frequently came; I am not aware that there were any of the authorities amongst them.

2610. Did you stay there all the time that Mrs. Baynes stayed, or did you leave Mrs. Baynes there?—I left her there; but the force was withdrawn, I think, when I went down to join the ship just about being dispatched; the guns had arrived on board the Abercrombie Robinson, and the force was withdrawn upon the assurance that there should be no molestation if that took place.

2611. At what date did you leave Canton?—I think about the 12th or 13th of November.

2612. Were you present upon the 23d of October, when the answer of the government of Canton was received by the Supercargoes?—I cannot say.

2613. Do

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2613. Do you recollect seeing an answer from the government, stating the law of China respecting the residence of women; and that at different periods before, five or six disputes had taken place?—No.

2614. How long did you remain there after the force was withdrawn?—If I recollect right, I think the force came down about the period that I went to join my ship, but I am not perfectly certain, it may have been a week or ten days before.

2615. Did you, during the time you were there, see any intention manifested on the part of the Chinese government to use force in any way with the Factory?—No; large crowds of Chinese assembled around the Factories, idly looking on, I suppose attracted by knowing there were guns there, and the Chinese placed police without the Factories, to keep the crowd in order, to prevent any annoyance.

2616. From the day on which the armed force arrived in the Factory did not the governor of Canton immediately place police and patrols, in order to prevent any of the Chinese interfering with the Factory?—Yes; and they continued all the time that the force remained there.

2617. Were not those patrols also withdrawn as soon as the armed force was withdrawn?—They were withdrawn.

2618. Do you recollect the date at which Mr. Marjoribanks and Mr. Davis arrived at Macao?—I sailed on the 18th from Macao, and I think they arrived on the 24th.

2619. Then you are not acquainted with any thing that passed after the 18th of November?—No.

2620. Was the remonstrance you have mentioned the only one that was communicated to the Chinese during the time you staid there?—The only public petition.

2621. Were you present on the 30th of September at Canton?—Yes.

2622. Do you recollect the circumstance of Captain Mackenzie, of the Dutch ship *Vrow Eleanor*, being killed in a scuffle?—Yes; he was a British subject, commanding a ship under Dutch colours.

2623. Are you aware that three Parsees were charged with having stabbed Captain Mackenzie, mistaking him for some other person?—As far as I recollect the particulars, a man of the name of Bovie, who is a foreigner, residing in Canton, and the master of those Parsees, a man of the name of Framjee, were resident in the same Hong, that is, a number of buildings within the same wall, with one gate leading into the Factory, and another into the streets of Canton; this Mr. Bovie had taken upon himself to lock one of those doors; there had been some ill feeling between the Parsee merchant and him, and the Parsees wished to go out at the gate and found it locked, and Mr. Bovie had taken away the key. Considering that it was public, the Parsees immediately demanded the key, and were told that Mr. Bovie had it, and would not allow them to go out by the gate; they immediately,

immediately, under the direction of their master, got crow-bars, and forced the gate; whilst they were in the act of doing this, Mr. Bovie came down with a drawn sword to make them desist, and he having the worst of it retreated to his house, calling murder: Captain Mackenzie hearing the cry of murder came down to assist; he was unarmed, but I believe he had an umbrella, or something in his hand. Mr. Bovie having made his retreat, and the Parsees being infuriated, I suppose, thinking he was coming to the assistance of the other, attacked him, and I think knocked his brains out with those crow-bars.

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2624. Did you know Mr. Sen Van Basel, the Provisional Netherlands Consul in China?—Yes; he was there at the time.

2625. Are you aware that an inquest was summoned immediately to inquire into the circumstances attending Mr. Mackenzie's death?—Yes, by his request.

2626. Were you upon the inquest?—No.

2627. Are you aware that it was composed of foreigners and Englishmen generally?—Yes.

2628. Did you know any of them?—Yes, several of them; there was a Mr. M'Vicar, who I think was foreman, he is a private merchant, and he has returned to this country.

2629. Do you recollect when they met?—I do not recollect the date, but I think they came to a verdict of justifiable homicide.

2630. In the Canton Gazette of the 2d of October, it was stated that the jury returned the following verdict, "that the death of Captain F. Mackenzie was caused by blows inflicted upon him by three Parsees, named Nowrojee, Framjee, and Jamsetjee (servants of Merwanjee Flormajee), in an affray which took place in the Dutch Hong, on the evening of the 30th ultimo." ?—I believe that is correct.

2631. What situation is Mr. Lindsay in?—He is one of the East-India Company's supercargoes. I think he was the only gentleman of the Factory present in Canton at the period; the Factory had not come up; they generally come up altogether, when the business of the season commences.

2632. Do you recollect whether the Netherlands consul applied to Mr. Lindsay to have those Parsees arrested immediately after the verdict was known?—The impression upon my mind is, that Mr. Lindsay arrested those Parsees for the purpose of protection from the Chinese authorities, as the Chinese authorities would have immediately laid hold of them. After the verdict, they were transmitted on board the commodore's ship at Whampoa, by order of Mr. Baynes, when he learned the particulars.

2633. Do you recollect whether any application was made by the Chinese authorities, to deliver up those men?—I understood that an application had been made to deliver them up for examination.

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2634. Do you know whether it was complied with?—It was not; the Parsees were sent on board the commodore's ship till an opportunity occurred to send them to Bombay, and they were sent eventually to Bombay.

2635. Do you know what passed between the Select Committee and the Chinese government respecting them?—I understood that there were frequent demands made for the murderers, as they called them. The master of those Parsees, and Mr. Bovie, the other person implicated in the affair, were away from Canton for some time; but before I left they had returned, and were living unmolested at Canton.

2636. Were any measures taken by the Chinese after their demand to have those Parsees?—I believe no measures were taken; the country captain that was to convey the men was afraid that his ship might be stopped in going out, and one of the officers of the commodore's ship applied to me for an armed boat to protect them down to the ship; but the country captain being afraid of some detention on the part of the Chinese, did not wait at Whampoa, but went through the Bocca Tigris, and remained at Lintin. I am not aware that the Chinese took any steps; but he was afraid that there might be a disposition on the part of the Chinese to interfere.

2637. Do you recollect whether they were sent down after they were demanded by the Chinese government to have them delivered over for trial?—I imagine it was after; that demand was made by the Chinese immediately after the affair took place.

2638. Was it not after those Parsees had been sent away that you attended to present this remonstrance?—I think it was after Mr. Baynes arrived about that period, and it was not till after his arrival that the remonstrance was sent to the city gate.

2639. Do you recollect whether the notice that you mentioned was put up at the British Factory, was put up before the armed force arrived, or after?—I should think it was after, or on the day on which it arrived.

2640. Did you, during the time you were there, see the proclamation of the Chinese government respecting the residence of women in China?—I cannot say that I saw the proclamation; I heard of the frequent demands that women should be sent away.

2641. Did any interruption take place to your loading and unloading your ship during the time that this armed force was in Canton?—No; every thing went on as usual, without any interruption whatever.

2642. In short, the Chinese government did not interfere in any way with your mercantile transactions?—Not at all.

2643. Were the guns taken out of any ship, or were the guns in the Factory?—With the exception of two carronades from the commodore's ship, they belonged to the Company's cutter, and I think they were often in the Factory.

2644. Was

2644. Was not the trade interrupted at all?—Four ships sailed in company when we left: it is customary on leaving to get a grand chop or port-clearance; two of the ships, the *Dunira* and the *Duchess of Athol* had not got their port-clearances, but that was not from any general disturbance with the Chinese government, but they had a quarrel or dispute with one of the security merchants about duties; and by way of compelling them to pay those duties they stopped the ships, which they secured, that is to say, they would not give them their clearances; and Mr. Baynes upon this desired those two ships to sail without the usual clearance. I was one of the ships that had a pilot on board, and, as having a clearance, I was desired to lead the ships, and in passing all the various forts they fired a blank gun, but not shotted; each of the ships also fired a blank gun as the forts did.

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2645. You mean the forts at the Bocca Tigris?—Yes; every fort fired one gun, and also the war-junks.

2646. Is not it the rule at Canton that no pilot can go on board unless they have got a port-clearance?—It is.

2647. Was there any other interruption during the time you were there?—Not at all.

2648. Is there any description of military force at Canton?—There is a very considerable Chinese force. I believe the only opportunity I had of seeing a Chinese force collected was at a fire which occurred at Canton, and to keep peace and prevent robbery there were 400 or 500 troops sent out, and encamped before the factories for a considerable time.

2649. Was any part of this military force brought out upon the occasion you have referred to?—No.

2650. What was the name of the captain that was in command of the seamen in the Factory?—Captain Baylis, of the *Canning*.

2651. Were you in the habit of communicating personally with some of the principal Chinese?—With the Hong merchants.

2652. What do you conceive were the impressions made upon the Chinese authorities generally, by a large party of troops having been called in to protect the Factory?—The Hong merchants seemed very much annoyed by the government putting them to so much trouble, but they seemed to talk of it lightly.

2653. Did they seem to think it was a necessary thing, or an unnecessary thing?—They seemed to say that the threat of the governor was a mere piece of bravado; and, to use their own words, they said that both parties were too much hot inside.

2654. Which do you conceive was the principal cause of the threats of the Chinese that led to an armed force being sent up to the Factory, the residence of Mrs. Baynes, or the protection given to the persons that murdered Mr. Mackenzie?—My own opinion is, that the principal cause was the

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demand for the murderers to be given up, it being agreeable to the laws of China that they should take cognizance of any thing of that kind occurring.

2655. Is it not your impression and belief that the chief, if not the sole cause of the threat of the Chinese government to seize British subjects living in the British Factory, under the protection of the British flag, was, if they would not deliver up the Parsees?—My opinion is, that it was the principal cause; though, as I stated before, I heard it said that the ladies being in the Factory was also one of the causes; but my own opinion is that that was the chief cause.

2656. Are you aware whether the inquest on the death of Captain Mackenzie pronounced it to be murder, or justifiable homicide?—I think, in speaking to the foreman, Mr. M'Vicar, his opinion was that it was justifiable homicide.

2657. Did the Chinese demand those Parsees by name to be given up, or did they generally demand the murderers of Captain Mackenzie?—They demanded the murderers of Captain Mackenzie; I understood they wished them to be given up that they might enquire into the circumstances.

2658. Is it not your opinion that if the Parsees had been given up agreeably to that demand, it would have amounted to an acknowledgment that they were the murderers of Captain Mackenzie?—I think, from former experience, that would be inferred.

2659. And that accordingly they would have been executed?—I imagine there is not a doubt of it, as in the case of the American upon a former occasion.

2660. Are you aware whether the Chinese government has made any reduction in their port-charges during the last year, as compared with former years?—There has been a reduction to some extent, perhaps 600 or 700 dollars upon each ship, but I think that arose out of demands made in the former season, when the fleet was detained outside, and not in consequence of any thing that occurred in the last season; and I rather think the compradores, the men that supply our ships with provisions, have the benefit of that, for they charge us the same as formerly, and therefore I think those reductions have been in favour of the Chinese.

2661. Are you aware whether the alteration made has not been to charge a different rate on different sized ships according to the measurement?—I am not aware whether there is any reduction on the measurement.

2662. During the time that that armed force was at Canton were any orders issued to the compradores, or was there any interference whatever with the usual mode of carrying on business?—None at all.

2663. Was this alleged to be the first instance of any European lady residing in the Factory?—I think I have heard of instances many years ago.

2664. In what light is it considered objectionable to their prejudices?—

That

That it was not customary ; I believe the principal cause was, that it collected crowds of Chinese together to look, and it might occasion some misunderstanding between them and Europeans.

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2665. Are there not several British subjects in Canton not connected with the Company ?—Yes.

2666. Are you of your own knowledge aware of their being exposed to any particular oppressions or restrictions from the Chinese government, either in their persons or their trade ?—Not at all.

2667. Are you aware of a petition sent by those British subjects to England, complaining of certain extortions, and petitioning for redress ?—I have heard of it.

2668. In general do you believe that the allegations of the petition are well founded as to extortions practised upon them by the officers of the Chinese government, and the difficulties thrown in the way of their trade, and as to perpetual insults which they received from the authorities ?—I am not aware of any except the placards stuck up about the streets.

2669. Have you ever received any insult from any of the public authorities ?—Never.

2670. Did you ever see any insult offered ?—Never.

2671. Have you not been at Canton while the ships companies were there, and seen rows take place there ?—I have seldom seen rows there ; we send very few men up at a time.

2672. Have you been to several other ports in India ?—I have.

2673. In considering the conveniences for loading and unloading, and clearing and carrying on the business of the ship, have you found more trouble and annoyance at Canton than you did at Calcutta, or Madras and Bombay ?—I should think less than in almost any port I have ever been at.

2674. Is there not more facility afforded in Canton to foreign trade than in any other port you have ever been in ?—I think so ; the fact is, that the customs and duties are regulated between the Chinese merchant and the government, and that keeps us from going into any collision with them.

2675. Have you not very near your ship the custom-house boats regularly moored ?—There is the police of the river, but they do not interfere, except there is any irregularity going on, and then they report it to the government, and we hear of it through one of the security-merchants.

2676. What was the general impression among Europeans at Canton respecting the expediency of ordering up an armed force to the British Factory at that period ?—There were various opinions ; some said it was nonsense, and others thought it was a very proper precaution ; I have heard very different opinions upon the subject.

2677. Are you aware that an American captain carried his wife lately to Canton ?—There were one or two American ladies there at the time I was there,

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there, and when I left, their trade was stopped upon that account; and I recollect that one of the gentlemen said that they were advised to persevere in keeping them there; that the thing would soon be considered a custom.

2678. Were they there during the time that Mrs. Baynes was in the English Factory?—She was in the Factory at the time they came, but I think they did not come till after the occurrence which I have mentioned.

2679. Do you know whether the Chinese government interrupted the trade with the American ships, and did not interrupt it with the British?—I recollect the Americans saying that they had pointed out to the Chinese that Mrs. Baynes was allowed to remain, and why should their women go away; and they said English ladies remaining was one thing, and the American ladies was another; that they could not remain; but the ladies were there when I left.

Capt. J. Innes

Captain JOHN INNES called in, and examined.

2680. WERE you at Canton between the months of August and December 1830?—I was.

2681. What ship did you command?—I commanded the Honourable Company's ship the Abercrombie Robinson.

2682. Were you the senior officer?—I was the senior officer of the season.

2683. When did you arrive at Macao?—The 1st of September.

2684. Did you proceed to Whampoa with your ship as usual?—No; I had directions from the Select Committee to anchor my ship in a bay at a distance from Whampoa, the usual anchorage.

2685. What distance?—Perhaps 150 miles north-east.

2686. Is there any port there?—There is a Chinese town in the vicinity.

2687. What was the nature of the instructions you received?—I cannot charge my recollection in the name of the charge, but to anchor in that bay till further orders.

2688. Was any reason assigned why it should remain there?—None whatever.

2689. How many ships afterwards joined you?—I received orders from the Committee, I think, after the 5th of September to direct all ships that came in after that period to go up to the usual anchorage, Lintin.

2690. How many were in the bay with you?—From seven to ten.

2691. All regular ships?—All regular ships.

2692. How long did you lie in that bay?—From eight to ten days.

2693. Where did you then proceed to?—We proceeded then to Whampoa.

2694. Were any reasons assigned why you should not proceed to Whampoa direct?—No reasons; I merely received an order, which I deemed myself bound to obey.

2695. Then between your first arrival in China, and your arrival at Whampoa, how many days elapsed?—I think fifteen; the distance between Lintin and Whampoa, where the pilot takes charge, is fifty or sixty miles, and it is frequently a tedious navigation.

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2696. Did you apply to the Select Committee for leave to proceed, or send up your investment?—I did not.

2697. Did any others?—Not that I am aware of.

2698. During the time you were at Whampoa did you receive any orders from the Select Committee to send up an armed force to Canton?—I did receive such orders. I was not prepared for this investigation, otherwise I would have brought my memorandums with me.

2699. Were you at Whampoa, or at Canton, when you received the orders?—I was at Canton.

2700. Do you recollect the nature of the orders?—The nature of the orders was to send up an armed force to protect persons and property in the Company's Factory.

2701. Did you obey that order?—Implicitly.

2702. What force did you send up?—To the best of my recollection, from 130 to 150 men, fully armed, with muskets, pistols, and cartridges.

2703. How many guns did you send up?—I sent up two 32-pounders.

2704. How long did they remain in Canton?—From eight to ten days.

2705. Were they under your command during the time they stayed there?—They were.

2706. Were they confined within the Factory?—By my orders they were.

2707. And they regularly remained within the Factory?—They did.

2708. Did you see any demonstrations on the part of the Chinese of any intention to interfere with you?—Not more than a mob of people collected about the Factory; no regular force.

2709. Was there not a force of Chinese police-officers to keep off the mob?—There were a few fellows with whips.

2710. Did they answer the purpose of keeping them from the Factory?—I do not think they did.

2711. Did they come into the Factory?—They never came into the Factory; we had regular guards in the Factory gates, inside the gates.

2712. Did you see or hear of any demonstration on the part of the Chinese government of the intention to interfere with the Factory?—The Chinese governor issued a threat, as I understood, to that effect, that he would send a force to expel certain ladies who were in the Factory.

2713. Was that written, or verbal?—I believe verbal; communicated by the principal Hong merchant.

2714. Are

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2714. Are you aware whether that was an order from the governor at Canton, or whether it was not disavowed by him?—I have every reason to believe that it was an order directly from him.

2715. How long did you remain in Canton?—Till the 29th of November.

2716. During that time, did not the governor of Canton disown having sent any such threat?—He did not disown it; he so far retracted it as to say it was sent in a passion.

2717. Were you one of the party who presented the petitions at Canton?—I was not, personally; the petitions were presented under my orders.

2718. Did you sign the petition?—I did not; I had orders to collect a force of a certain number, to accompany the gentlemen of the Factory to carry the petition:

2719. Under whose direction did they proceed?—Under the direction of a gentleman of the Factory, I having given them orders to that effect.

2720. What gentleman of the Factory presided over them?—I think Mr. Jackson.

2721. Are you aware what took place at the gate?—The petition was received.

2722. Was there any collision?—There was some squabble with the guard at the gate.

2723. Was there any thing more than what usually happens when petitions of that kind are presented?—I believe nothing more.

2724. Who was chief of the Select Committee when you were there?—Mr. Baynes.

2725. Did Mr. Baynes arrive before you did?—My first interview with Mr. Baynes was at Macao.

2726. Did his lady proceed with him, or come after him?—She proceeded with him five or six weeks after the arrival of the first ship.

2727. Was any objection taken immediately to her residence there?—I understood not.

2728. How long had they resided there before that order was sent to you?—I think about a week.

2729. Did the armed force that you sent up proceed by day or by night?—By night.

2730. Did they meet with any interruption?—None whatever; I received the orders at six in the evening, and the force and the guns were in the Factory before day-light in the morning, and the sentries planted.

2731. Did you remain after Mr. Baynes, or did you leave first?—I left Canton before Mr. Baynes.

2732. During the time you were there, did any interruption take place in any of your intercourse with the Chinese?—None.

2733. Did

2733. Did any during that time take place with any of the American ships?—During the time I was at Canton there was an interruption took place with the Americans; the trade of a particular ship was stopped in consequence of some American ladies having come up to Canton.

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2734. Is it not your impression and belief that the chief cause of an armed force having been ordered to Canton by the Select Committee was the threat of the Chinese government to seize certain British subjects?—I believe so.

2735. Was it not expressly stated that it was on account of the residence of Mrs. Baynes?—The Viceroy shifted the question when he knew the homicides were out of his power, who had been sent away in consequence of the directions I had from Mr. Baynes to send them down in armed boats below the fort.

2736. You refer to the Parsees who killed Captain Mackenzie?—Yes.

2737. Do you recollect the date of your receiving those orders from Mr. Baynes to send them away?—I cannot state the date.

2738. Did the inquest upon the death of Captain Mackenzie declare the Parsees to have been the murderers of Captain Mackenzie?—I was not at Canton during the inquest.

2739. If the lady had been the lady of a private individual, would the Chinese, in your opinion, have stopped the whole trade?—I do not think so; the Chinese during the whole season never attempted to stop the trade for an hour.

2740. Supposing that lady had been the wife of any private individual, would that have caused the stoppage of any trade that was not belonging to the Company?—I believe it would.

2741. Was the whole of the American trade stopped?—No, only one ship.

2742. Had you any communication or conversation with the captain of the American ship whose vessel was stopped in consequence of the American lady being there?—I had not; the other Americans remonstrated with the agent for the ship, and the result was that the ladies were sent down to Macao immediately, as the other ships did not choose to have their trade stopped for a lady they had nothing to do with.

Martis, 19^o die Julii, 1831.

SIR GEORGE THOMAS STAUNTON, BART. in the Chair.

ROBERT RICKARDS, Esq. called in, and examined.

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2743. WHAT situation did you fill in India?—I filled several in the civil service of the East-India Company under the Bombay and the Madras governments; my last situation was that of Member of Council in Bombay.

2744. How many years were you in India?—About twenty-three years altogether.

2745. Were you a Member of the House of Commons, and of the Select Committee appointed to inquire into the affairs of the East-India Company in 1813?—I was.

2746. In what year did you return from India, and have you since that period been engaged in the trade with India?—I returned in the year 1811 from India, and I have been more or less actively engaged in the India trade for the last fifteen or sixteen years, and am now engaged in it.

2747. Will you state the terms in which the East-India Company expressed their views at that time as to the practicability of extending the Indian commerce, which at that time was advocated by the British merchants?—I would beg leave to premise that I have always been of opinion that the Company have laboured under great misconceptions, as well with regard to their own trade as to that which is commonly called the private trade; all that I have ever said or written upon this subject has arisen from the conviction of this fact; and if in the end it shall be proved that I am right, I trust it will then also appear that I have not been actuated by that spirit of hostility to the Company which I have often but unjustly been accused of; and that I have only endeavoured to expose an erroneous course of proceeding, which, I solemnly believe, is not only attended with great national injury, but leading the Company themselves to certain and irretrievable ruin. The answer which I am about to give to this query will contain a proof, amongst many others which exist, of the errors and misconceptions here adverted to. In the Report of the Committee of Correspondence of the Court of Directors, on the 9th of February 1813, and handed up to the President of the Board of Control, with a letter of the 10th following, it is expressly stated, “that all the expectations then entertained by British merchants as to the wished-for opening of the Indian trade were groundless and delusive; that those who should act upon them, if the trade were opened, would be sure to experience ruin, loss, and disappointment, and that the abolition of the Company’s

pany's commercial privileges would be in effect the extinction of the whole of the present Indian system." "Can the Court therefore," they add, "with these convictions, lend themselves to promote the dangerous conceptions already too prevalent, at the sacrifice of so much individual interest, and of that public interest, the care of which is intrusted to them. If it were indeed probable that by a slow process the commercial intercourse between this country and the East could be enlarged, the effect would be far too distant to relieve the present pressure, and the first adventurers be more likely to plunge the trading world into fresh difficulties." In the 16th page of the same Report they add, "after all the knowledge, which successive ages have afforded upon this subject, that men of general intelligence and cultivation should, in opposition to the usual course of human affairs, adopt the fond idea of entering at once into the enjoyment of a new world of commerce, is a most striking instance of credulity, and of the power which interest and imagination united have to impose upon the understanding."

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2748. Do you think the Company were justified in those assertions on any experience of the actual state of the Indian trade between 1792-93 and 1813?—I do not think they were justified. In the discussions which took place in 1813, the Company and their advocates always insisted that the trade of India, both import and export, was carried by the Company themselves to the utmost extent of which it was susceptible. They argued this position as if no extension of the Indian trade had taken place since 1793, when great concessions, they said, were made to private merchants. Possibly they were led to this conclusion from the circumstance of their own trade remaining throughout this period stationary; but facts at this time, had they been carefully examined, would have afforded a different result; the American trade, for example, had greatly increased between the years 1794 and 1811; for ten years from 1794, during which the increase was progressive, their exports from Bengal alone averaged £461,357 per annum, and their imports £390,606 per annum; in six years from 1802-3 to 1807-8 their imports into all India averaged £1,247,920, and their exports £1,154,494 per annum; and in three years from 1808-9 to 1810-11 their imports were £1,627,612 and their exports £1,705,814 per annum; this was a great and progressive increase. The Company endeavoured to explain it by the existing state of our European wars, the Americans being at that time the only neutrals, and consequently the carriers of the world; adding, that it might be taken as a certainty that, whenever war ceased, all their advantages would cease with it, and their power of entering into competition with the Company in the trade of our own settlements would be greatly reduced. The American trade with India however did not fall off until the Company obtained the consent of His Majesty's Ministers to impose a double duty on the neutral trade of India, which then applied almost solely to the Americans. In 1793 private merchants were partially admitted into the Indian trade, for which a class of ships called extra ships were provided by the Company. The forms and restrictions of this arrangement were such as to be attended with numerous inconveniences and

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obstructions to private merchants; consequently this branch of trade could not be carried to the full extent of which it was susceptible, still it appears to have greatly increased; the imports from India in 1793-4, by privileged traders being only £181,710, and in 1811-12, £1,169,023. These facts are anything but corroborative of the Court of Directors opinion. They seem to have thought the trade had not increased, because the whole of the tonnage appropriated by them to the privilege trade was not occupied, but this is easily accounted for by the forms, restraints, delays, and even rate of freight, to which merchants were liable in extra ships; while subsequent events show to what extent the trade was capable of increase, when merchants were allowed after 1813 to follow up their own objects and pursuits at their own time, and in their own way.

2749. From whence do you derive the facts you have stated?—These facts would be found distinctly stated in detail, in the 12th and 13th pages of the same Report.

2750. With these facts before them, does it appear upon what grounds the Company advanced and maintained the opinions you have read?—In the report before alluded to, they state their opinion to be founded on the experience of all the nations of Europe for three centuries, the testimony of ancient history, the climate, the nature, the usages, the custom, the prejudices, and the religious and political institutions, of the Eastern people; backed, as they add, by the great mass of British subjects then in Europe, acquainted with the countries of the East; whilst on the side of the petitioning merchants there was nothing but a sanguine theory.

2751. Did not the Company quote Adam Smith and Montesquieu in corroboration of their views, and insist that the reasoning of those authors was more agreeable to experience on the subject of Indian commerce, than the reasoning of the free traders who sought to interfere with the commerce of India?—In the same report, the Court of Directors did quote both Montesquieu and Dr. Adam Smith, but the inference drawn from the opinion of the latter is not quite accurate; for Dr. Smith had distinctly asserted that “the East Indies offered a market for the manufactures of Europe greater and more extensive than both Europe and America put together.” This the Court of Directors positively deny; but on the opening of the trade in 1813 Dr. Smith’s assertion began to be verified, it has ever since received increasing proofs of its accuracy, and would certainly be proved to the very letter, if the rights and interests of the natives of India were more justly attended to, so as to be relieved from that state of extreme poverty to which the great mass of the population is reduced by the operation and effect of our fiscal institutions.

2752. Those objections which you have stated to have been made were made against the increase of the general trade to India. Did not the Company object with equal force against the opening of the trade with respect to the out-ports; and did they not prognosticate ruin to them, if they were permitted

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mitted to engage in that commerce?—In page 10 of the same Report, they did as strenuously insist that the opening of the trade to the out-ports of this kingdom, which the petitioners prayed for, would be quite ruinous to the Port of London. Their argument on that head was, that “the immense interests which the Port of London, with all its descriptions of merchants, tradesmen, tea-dealers, factors, brokers, dyers, packers, calenderers, inspectors, labourers, ship-builders, ship-chandlers, rope-makers, ship owners, mariners, and all their train of establishments, warehouses, wharfs, docks, yards, premises, shipping, formed in the course of two centuries, would all be involved by the opening of the trade to the out-ports. The Company’s periodical sales, on which so much of the order and success of their business depend, would be interfered with, and their very large property in warehouses and other buildings deteriorated; in short, all the institutions, public and private, of the capital, for carrying on the eastern trade, would be shattered or broken down.” His Majesty’s Ministers, however, thought otherwise. Twelve out-ports were opened to the Indian trade, and have carried it on briskly ever since; and it does not appear that the Company’s sales have fallen off, their property become deteriorated, or that any of the above-mentioned establishments have broken down, or that London has been ruined, as a consequence of this event.

2753. Did not the Company upon that occasion also assert that they had an experience of twenty years to support their opinion, that no new commodities had found their way there during the partial facilities that had been given, and that the opinions of Dr. Smith, which they formerly quoted, as regarded the probable extension when the trade was opened, had not been verified and could not be verified?—The opinion of the Court of Directors on this head, and their consequent predictions were, that in the whole period of twenty years, from 1793, in which facilities and enlargements never enjoyed before had been given for private enterprize and adventure, in which the private trade had considerably increased, and on the whole a very ample experiment had been made, not one new article for the consumption of the natives had been exported; adding, in another place, “In the period of forty years since Dr. Adam Smith published his work ‘On the Wealth of Nations,’ the endeavours of all Europe and America have made no discovery of that immense market for European manufactures which he said was offered by the East Indies;” and on these grounds the Court of Directors founded their favourite argument of its being utterly impracticable to extend our commercial intercourse with India. To this I would answer, that it is quite obvious that the trade between India and Britain had greatly increased between 1793-4 and 1813, and as certain that the increase has been made much greater since. If therefore we consider the variety, as well as quantity, of the exports and imports included in this increase, we shall be satisfied that it must have contained many articles which, though classed under certain general denominations, were entirely new to Indians. Under the head of metals, for example, spelter is an entirely new article of export; under
cotton

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cotton goods, Bandana handkerchiefs, book-muslin, imitation shawls, and cotton-yarn or twist, are also new articles of export. But if the Committee will take the trouble of inspecting No. 37 of the "Papers relating to the Finances of India, and the trade of India and China," laid before the Select Committee of last year, and purporting to be an account of imports and exports between Great Britain and places to the eastward of the Cape of Good Hope, between 1814 and 1828, they will perceive a great variety of articles of which nothing was either exported or imported by the Company, but large quantities by individuals, some articles of which the return is nil in 1814, and large quantities by individuals in 1828, and an immense increase by private merchants in all the principal articles of consumption, between 1814 and 1828. It is impossible therefore, I think, to deny that the trade has vastly increased since 1793; that the increase embraces a great variety of articles formerly unknown, or not used in India; and lastly, that the Company never have carried this trade, and never could carry it to the extent of which it is obviously susceptible.

2754. Do the returns generally of the commerce since the charter of 1814 oppose those opinions which the Company alleged against the opening of the trade?—If the Committee will please to refer to No. 40 of "Papers relative to the Finances of India, and the Trade of India and China," it will thence appear that the Company's export and import trade has, on the average of sixteen years only, amounted to 1,88,27,825 rupees, or at 2s. the rupee £1,882,782 per annum; whilst that of private individuals has averaged for the same period 5,45,14,520 rupees, or £5,451,452 per annum. The private trade is therefore nearly five times as great as the Company's, and it proves three things: first, that the Company have not carried the trade to its fullest extent; secondly, that private traders are much fitter for extending the commercial intercourse with India than the East-India Company can be; and thirdly, that no definable limit can be placed to the extension of this trade if our institutions abroad admitted of growing wealth among the natives. Were this the case, I have always maintained, and still must maintain, that Dr. Adam Smith's predictions with regard to the capabilities of this trade would be completely verified.

2755. These observations you have now made apply entirely to the trade with India?—Entirely; the voucher I have referred to, No. 40, will show it.

2756. In the course of the inquiry that took place before the Select Committee in 1813, what opinion did you then express upon that subject, as a witness before the Committee?—I believe I was the only person in the House of Commons who strenuously insisted upon the opinions of the Court of Directors as regarding the trade to India, and the impossibility of its extension, being absolutely unfounded, and at complete variance with what I conceived to be the real character and habits, and religious prejudices of the natives of India.

2757. Then the opinions you gave in 1813, in opposition to almost the whole

whole evidence taken from the Company's servants, you allege to have been verified by the result of the last nineteen years?—I do; and I submit that the experience of the present day proves it unequivocally.

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2758. To what circumstances do you ascribe the extended and extending consumption of British manufactures among the natives of India?—First to our manufactures and staples being perfectly suited to the wants and tastes of the natives of India, who will assuredly use and consume them to the utmost extent of their means; and secondly, to the great cheapness of British articles consequent on the use of machinery, with capital sufficient in this country to employ it with the fullest effect.

2759. Admitting the vast reduction which has taken place in the cost of British productions in this country since 1813, do you conceive that the Indian trade would have attained its present amount had the laws which regulated it previous to 1813 been continued up to the present period, instead of being changed as they were at that period?—Certainly not. My previous answer presumed, as of course, the opening of the trade which had been effected in 1813.

2760. Then, in your opinion, the extension has taken place in consequence of the freedom and facility which was given at the commencement of the present Charter to the British merchants?—I have not the least doubt of it.

2761. Is it your opinion that if greater facilities were still given, a continued extension of the trade would go on?—It would undoubtedly, if those facilities were coupled with a salutary reform of the local institutions abroad; for it should always be remembered that trading with a wretchedly poor people can only be carried on to a limited extent.

2762. You mean the municipal regulations within the Company's territories?—Yes, I mean the revenue and judicial regulations chiefly.

2763. What are the present rates of freight out and home to India in the free trade?—The common rate of freight outwards on dead weight is from 20s. to 30s. per ton; on light goods from £2 to £3 per ton. The freight homewards upon private ships is, on dead weight, about £4; and upon light goods from £5 to £6 per ton. These have been common freights for some years.

2764. What would you consider the average freights out and home to have been during the last eight or ten years?—From eight to ten or twelve pounds per ton, out and home.

2765. That is nearly what the present rate is?—Yes.

2766. Do you think it possible that the present rate of freights can continue and afford remuneration to the owner?—It has continued for so many years, that there is reason to suppose ship-owners must find their advantage in these voyages, or so many of our ships would not proceed, as at present, annually to India.

2767. Can you state what were the peace-freights paid by the East-India Company

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Company before the war, at the time of the French Revolution of 1789 and 1790?—In a publication by Mr. Auber, the present secretary of the India House, the rates of freight paid by the East-India Company in 1786 are stated to be on ships to Bombay, £26 per ton; Coast and Bay, £27 per ton; and China direct £21 per ton; this was the common rate of freight then prevailing. For the last three or four years the Company have chartered ships at from £8 to £11 per ton for the voyage to and from India, for single voyages.

2768. What is the freight paid by the Company for the regular chartered ships taken up for five voyages?—In the papers upon the table of this Committee, which I had occasion to refer to last year, I think it is now stated to be about £20 or £21 per ton. For some years, I believe, after the last war, it was as high as £28.

2769. If the freights which you have stated as formerly paid by the Company had continued, would it have been practicable to have imported cotton-wool, sugar and saltpetre, or any other gruff-goods which are at present so largely imported at the reduced freights?—It would have been perfectly impossible at the rate of freight mentioned, and the present selling prices of the article in this country. They are sometimes imported at a loss even at the low rates paid on private ships.

2770. You mean to say that many of those gruff articles are imported to England now at that reduced rate at a loss, solely for the sake of remittance?—Those goods, such as sugar and saltpetre, are often put on board as being required for dead weight; as such, they are at times imported into this country at a loss, partly, too, occasioned by the high prices which private merchants are obliged to pay for them in India.

2771. Do you consider that there is any limit to the exportation of British produce except the difficulty of finding a return?—Returns are indispensable to promote an extended consumption of British manufactures abroad. The want of facilities in this respect is one cause of limiting the export of British goods, and that is mainly occasioned, as I have before explained in my examinations before this Committee, by the interference of the Company in the Indian trade, and the almost total obstruction to remittances *via* China, occasioned by the Company's monopoly.

2772. Will you state what you consider to be the principal obstructions which still impede the extension of the Indian trade?—There are certain forms and restrictions imposed by law on persons and ships proceeding to India, all of which are in my humble opinion very unnecessary, and are another cause of limiting the extension of the commercial intercourse between the two countries; but the greatest obstacle of all is, as I have frequently observed, the extreme and universal poverty of the great mass of the people; in addition to which is the Company's interference in the trade, and the exclusion of British shipping from that branch of trade included within the China monopoly. I have fully explained my sentiments on these heads in
 former

former examinations, and it may be therefore superfluous to repeat them here. 19 July 1831.

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2773. What are the forms and restrictions you allude to which are attended to in the trade to India, and not required in other trades from England?—In my examination before the Select Committee on Foreign Trade in 1821, I explained how licenses to persons to reside in India were granted at the India-House, to which I would beg leave to refer the Committee upon the present occasion. They will there find what difficulty, delay and expense attend the procuring of such licenses, and how completely the object of the Act of 1813 was, and still is, contravened. The Act requires a simple certificate to be given to all persons indiscriminately desirous of going to and remaining in India for lawful purposes; but the Court of Directors, even when they comply with the application, requires the party to enter into a regular covenant or indenture, subject to certain conditions, with a penalty-bond by two sureties; for all which payment is required. The Court also is in the habit of refusing permission unless the applicant can show an invitation from a settled house in India to join it, or some such cogent cause; but the Act gives them no power of refusing, this power being solely vested in the Board of Control, on good and sufficient reasons being shown. This Act too requires certificates to be granted to applicants without limit as to their residence in either of the principal settlements, whilst the covenant confines him to a particular town or presidency; and if this were rigidly enforced it might often prove ruinous to the lawful occupations and pursuits of a mercantile man. In short, the Act seems obviously intended to promote free intercourse with the inhabitants of India, whilst the covenant is obviously a restrictive, and as I think, unnecessary process; and being so completely at variance with the plain wording of the Act, I cannot do otherwise than doubt its entire legality.

2774. Has any difference taken place since the year 1821 in the mode of granting those licenses?—None, except with regard to shipping.

2775. What alteration has taken place?—The obstacle in that respect was remedied by the Act of the 4 Geo. 4. ch. 80; they are now permitted to go more freely.

2776. Under the construction put on the Charter Act of 1813, were not the shipping of Britain precluded by the Company from carrying on the coasting trade of India previous to 1823?—They were.

2777. What is the present practice in this respect?—They may now carry it on, but are first required to clear out from this country to one of the presidencies of India before they can go to the other ports.

2778. Has the removal of the restriction as to tonnage prescribed by the Act of 53 Geo. 3. ch. 135, given any facility in conducting the Indian trade; and are ships of less burthen than 350 tons at present engaged in the Indian trade?—Ships of smaller burthen now proceed to India. Ships of 250 tons, or less, are the most convenient size for Singapore and the eastern Archipelago;

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lago; and often better suited to the means of persons engaging in the Indian trade.

2779. Upon your experience as a merchant in London, receiving consignments from different parts of India, have you found that the cargoes imported in those smaller vessels have been equally well taken care of as in larger?—There has been no difference that I am aware of in the state of cargoes received by large or smaller vessels, when the ships themselves are equally good and well found.

2780. Has there been any difference in the rate of freight generally, and the expenses of sailing them between the smaller and the larger ships?—The rate of freight is the same in all: the expense of sailing must of course be less in the smaller vessels.

2781. Previous to the year 1821 did the Directors of the East-India Company readily grant certificates to persons desirous to proceed to India for the purposes of trade, in conformity to the section of the 53 Geo. 3?—I explained particularly in 1821 the difficulties and expenses incurred by persons applying for licenses to proceed to India, and I have again recapitulated that evidence in a preceding answer.

2782. Are you aware on what grounds the Directors objected to granting certificates so far as you think they ought to be done?—The Directors have always, from the earliest period of their history, been averse to private merchants interfering in the Indian trade: they have always dreaded this interference as fraught with injury to their own commercial operations. Whether they have any other motives for the restraints and limitations imposed I am not aware; but such has always appeared to me to contravene the intentions of the Legislature expressed in the Act of 1813.

2783. Have they demanded written covenants from all persons proceeding to India for commercial purposes?—It was in 1821, and I believe still is, the custom to take a bond from applicants for a license to proceed to India, and then to grant them either Free Merchants Indentures, Free Mariners Indentures, or “Persons to reside Covenants.” The cost of these is as follows:

For Free Merchants Indentures	-	£27 10.	Bond and Indenture.
Free Mariner ditto	-	9 10.	
“Persons to reside” Covenant	-	12 0.	

Of this latter sum £7 is for stamps, viz. three Covenants or Indentures executed in triplicate, each 35s.—£5. 5s. One Bond Stamp to be entered into by two householders in the sum of £500 jointly or severally, £1. 15s. Total £7.

2784. Did they require those covenants from masters of ships acting as supercargoes?—Not unless they intended to remain in India.

2785. All masters or supercargoes of vessels proceeding to India with the intention of remaining, were required to enter into some covenant as if they went out as passengers?—All persons intending to reside in India were, and I believe

I believe still are, required to enter into one or the other of the covenants I have before mentioned. 19 July 1831.

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2786. What is the present practice with respect to granting certificates of residence in India?—The same I believe as before; I know of no alteration that has taken place in this respect.

2787. Does the amount which you have stated for the certificates pay all the fees required at the India-House for those indentures?—It does.

2788. If a simple certificate were granted in accordance with the letter and spirit of the statute, would not that answer the purpose, and save the expense of both stamps and fees?—Yes, it certainly would; if the covenant and bond were not required to be entered into at the India-House there would be no occasion for a stamp.

2789. Did not the East-India Company in their petition to the House of Commons in 1813, with reference to the extended resort of British-born subjects to India, express their decided opinion that the unrestrained liberty of importation from England, otherwise than through the medium of their establishments in London, would produce effects which every well-wisher to this country must deprecate, and which would put to extreme hazard any pledge on their part for the good government of India, or the performance of their obligations?—They did express themselves in those very terms in the report I have now before me, and which I had occasion to quote in the early part of this examination.

2790. According to the best of your knowledge, have any of the fears anticipated by the Company from the resort of British-born subjects to India been realized?—I know of no real evil that has resulted therefrom.

2791. Can you furnish the Committee with any estimate of the number of British-born subjects in India, not in the military or regular civil service of His Majesty, or of the East-India Company respectively, in the year 1813, when the present charter commenced, and up to the latest period?—The following memorandum is extracted from the East-India Calendar, published at the India-House, and said to be by authority. Number of private British settlers in India respectively in 1813 and in 1830 respectively.

Bengal: In 1813	-	1,225	In 1830	-	1,707
Madras: In 1813	-	187	In 1830	-	134
Bombay: In 1813	-	469	In 1830	-	308

TOTAL, in 1813	-	1,881	In 1830	2,149
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Total increase in seventeen years . 268 persons.

2792. Since 1821 has there been any considerable increase of licenses?—On referring to No. 16, O 23 of Accounts and Papers delivered in to the Select Committee, dated 22d of February 1831, I perceive that they have greatly exceeded the numbers licensed previous to 1821; comparing the last eight years up to 1821 inclusive, with the following eight years, the numbers in the latter period are nearly doubled.

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2793. Have you learnt of any inconvenience arising from that increased number?—None whatever.

2794. Were permission given to every British-born subject to proceed to India as they do to Jamaica or Nova Scotia, with unlimited power to invest their capital in the soil of that country, in the same manner as individuals do in our other colonies in the way most advantageous and profitable in their opinion; what class of persons in your opinion would avail themselves of that permission to proceed to India?—The most likely persons to proceed to India under present circumstances would be capitalists of large or small amount, according to circumstances, or persons of talent or knowledge, calculated to be useful in some one or other industrious pursuit; I believe that emigration would be confined to persons of this description, and would not extend to persons of a lower class; European labourers, for example, could hardly find employment in a climate like that of India.

2795. Does not India require capital to bring forth her productive resources?—It certainly does; but the best and fittest capital for this purpose would, in my opinion, be one of native growth. And such a capital would certainly be created among the natives themselves, if our institutions did not obstruct it, by curbing the energies, and confirming, as they now do, the poverty of the great mass of inhabitants.

2796. Would not India derive great advantage from men of talent, and science, and art, and men acquainted with European knowledge, proceeding to settle in India more numerous than is now permitted?—It would undoubtedly; and some of the natives of India have signified publicly the obligations which they already owe to Europeans of that description. Of this I gave sundry proofs in my examination before the Committee of the House of Lords, in last year, to which I would beg leave now to refer.

2797. Might not branches of manufacture, now unknown in different parts of India, be commenced with great advantage to the prosperity of India, as well as to the commerce with England?—Various new branches of industry, and many new productions, would naturally spring up in India under a different state of things to that which exists. A people in a state of confirmed and degraded poverty cannot, I apprehend, be roused to energetic habits by the mere stimulus of foreign example. On this account, I think that our first attention should, as well in common justice, as in policy, be directed to the improvement of the state and condition of the natives of that country.

2798. What would, in your opinion, be the best mode of encouraging the production of those native capitals which you think it is most important to improve?—Reforming the system of taxation, and a better administration of justice in India, are the first points to be considered. Without a suitable reform of these systems, the progress of prosperity among the natives can never be great.

2799. Since you were acquainted with India, have not many branches of commerce

commerce and manufacture been commenced and carried to a considerable extent ; and do you not attribute that commencement solely, or almost entirely, to the influence of British capital, and the assistance of British settlers ?—No doubt many of the improvements here adverted to are to be ascribed to British enterprize and capital in India, such, for example, as the extension of the cultivation and manufacture of indigo. Other branches of manufacture and of trade have arisen at the different presidencies, where the inhabitants are subject to a more lenient sway, and not to so heavy and severe a system of taxation as in the interior of India ; but I still maintain, that any improvement which may have arisen in consequence of the introduction of British capital and enterprize into India, is nothing in comparison with what would be the case if the natives of India were sufficiently encouraged, and proper attention paid to their cultivation and improvements.

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2800. Under an efficient, impartial, and equal administration of justice, could any danger arise from the free resort of British-born subjects to India, with the most complete liberty to settle and trade, not only with the presidencies, but with every part of that extensive country ?—No danger, provided the laws in force and the administration of them gave complete protection to the native inhabitants, whose security and comforts ought, in my opinion, to be a primary consideration in this matter.

2801. Would you, under such an administration of the laws as is here supposed, consider it useful or necessary that the local government of India should, as at present, be vested with the arbitrary power of removing British-born subjects from India, without assigning any reason for such conduct, or virtually without being responsible for the injury which the party removed may suffer by such removal ?—I think it quite monstrous that such an irresponsible power should be vested in the hands of any government whatever.

2802. What, in your opinion, have been the effects of the exercise of this arbitrary power, however seldom it may have been used, in preventing that extension of trade, which you consider so desirable in that country ?—As long as the present law is in force, it will naturally deter many respectable individuals of talent and capital from extending their operations in India so far as they otherwise would do if they felt themselves in perfect security.

2803. Do you mean that capitalists or men of talent have been unwilling to employ their capital, or exercise their talent in situations where they were liable to be removed at a few days notice, from the place where such capital or talents were employed ?—I should suppose that every reflecting mind would hesitate on the risk of employing either talents or capital, except with great caution, in a country where so severe a law as the one here alluded to was liable to be enforced.

2804. During your residence in India, could any person in the service of His Majesty, or the East-India Company, reside within the territories subject
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to the Bombay presidency without a license from the Company, or in fact, did you ever know any person residing without such license?—Those licenses were always, and are still deemed necessary; and the orders of the Court of Directors, during the time I was in India, were generally very strict in causing them to be enforced; but I believe there are instances where gentlemen have resided in India perfectly unmolested, without being possessed of such license.

2805. In your time have you known any person sent from India to England because they have not those licenses?—There are instances in which persons have been sent from India by the governments abroad, because they did not possess the licenses required by the Court of Directors, and numerous other instances where settlers have been arbitrarily deported on the plea of their acts or conduct having proved offensive to the local governments.

2806. You have expressed an opinion favourable to the resort of British subjects to India; what benefit do you consider would accrue to the natives of India from the residence among them under the same equal laws of such British subjects in the interior, as well as at the presidencies?—Provided the natives were fully protected against violence and wrong they would be benefited by the expenditure among them of European capital; by social intercourse with Europeans, by acquiring their arts and skilful practices, and by imbibing their knowledge, and consequently a more extensive cultivation of their moral powers.

2807. Can you name any one improvement which has been made by the natives in your time that cannot fairly be traced to the example, or influence, of Europeans?—I have already observed, that the improvements introduced by Europeans are limited, in comparison with what might be the case if the natives of India were sufficiently encouraged; but in their present state of extreme poverty, and almost slavery, it is not reasonable to expect that any great improvements can flow from them. One of the greatest improvements, however, which the mind of man is susceptible of, has been made by natives from their own exclusive exertions. Their acquirement of knowledge, and particularly of the English language and English literature, of which there are many examples in Bengal, Madras, and Bombay, at the present moment, is quite astonishing. It may even be questioned whether so great a progress in the attainment of knowledge has ever been made under like circumstances in any of the countries of Europe.

2808. Is not that limited to those who have had particular intercourse with Europeans?—The examples to which I allude, are among natives that have kept up an uninterrupted intercourse certainly with Europeans, from residing at the different presidencies of India; but the exertions of those with whom I am acquainted, have been altogether independent of European assistance, the natives to whom I allude being perfectly self-taught. I would beg leave here to add, that if it be meant to imply, as some of the most distinguished literary authorities in this country have asserted, that the natives

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of India are incapable of improvement, I must protest against the doctrine, as being, in my humble opinion, an unjust and libellous judgment passed on the whole community. We have at this moment an illustrious example in this country of what native Indians can attain by their own unaided exertions. Let it also be recollected that in many branches of art their skill is absolutely unrivalled. Several of their fabrics, such as muslins, shawls, embroidered silks, handkerchiefs, &c., together with pieces of workmanship in gold, silver, and ivory, have never yet been equalled by British artists. Their architecture, though peculiar, is of a superior order, and in the construction of great public buildings they have exerted powers of moving and elevating large masses which are unknown to European architects. Agriculture also made its first progress, and attained considerable perfection in the East, which in this respect, set the example to Europe. In these, and many other arts connected with the comforts and conveniences of life, the natives of India have made great progress in some, and attained perfection in others, without being in the smallest degree indebted to European patterns or example. I do not mean to say that their progress or advancement has been a hundredth part so great or so rapid as that of Europeans in the arts of life generally, but I do not think it fair to compare their present backward state with the advancement made by Europeans, considering the very different circumstances in which both are respectively placed. The nature of the governments under which the Indians have languished for so many centuries is sufficient to account for their stationary state; and no argument can hence be drawn as to their natural incapacity. Many persons, I apprehend, who now contend for the freest introduction of Europeans into India, to operate as a stimulus to native improvement, seem to forget the vast difference of character existing in the two parties; that, consequently, to overrun India with Europeans before a better system of protection shall have been provided, would be to mingle a race of over-bearing conquerors with submissive slaves, and that oppression and injustice would be the inevitable result. Until the natives of India are raised (and I am sure they can be so raised with great advantage) to participate largely and actively in the government of themselves, I feel persuaded that India never will be justly or securely ruled under any European sovereignty.

2809. Can you state any improvements which have been introduced by the governments of India?—The governments of India at each of the presidencies have, very much to their credit, encouraged the improvement of the natives by patronizing and supporting institutions for learning and the acquirement of knowledge. They have also attempted to introduce improvements in agriculture and in manufactures; but in those latter attempts Government, by stepping out of their own sphere, have generally, if not invariably, failed.

2810. What attempts do you immediately allude to in which they have failed?—In the cultivation, for example, of sun-hemp, as well in Bengal as on the western side of India. I believe their attempts to cultivate indigo on their own account have been equally unsuccessful.

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2811. Was not the attempt to cultivate sun-hemp in Bengal at the particular residencies of the British Government at a time when supplies from the North of Europe were likely to be denied daily?—It was.

2812. And did it not cease with the renewal of that intercourse which took place with the north of Europe?—How far this cause may have influenced the cessation I know not; but I know that as well in Bengal as on the the western side of India, the attempt was a complete failure, and attended with great loss. On the island of Salsette a plantation of hemp was carried on on Government account, and large sums expended on it. The plant seemed to flourish, but when cut, and in the process of preparation for use, the whole was spoiled, whether from ignorance or negligence I know not; but the whole of the money expended in this plantation was thus a dead loss, and the attempt was consequently not renewed.

2813. To what do you attribute that failure?—I attribute it to the same causes which occasion similar failures on the part of Government in all countries where they attempt to meddle with operations which do not appertain to their particular province.

2814. Your opinion is, that individual enterprize is best calculated to promote improvements of that sort in any country?—Certainly.

2815. Are you aware that the natives of Bengal in Oude, at present imitating European indigo settlers, prepare a considerable portion of that article now exported?—The natives in Oude have got lately into a better mode of preparing indigo for this market. This may be occasioned partly, no doubt, by the influence and example of Europeans, but in a great measure also, as I conceive, by the unsaleable state of the article in this country, which from the badness of its quality, and which rendered it indispensably necessary that some improvement should take place before it could be brought into more general use and consumption, by manufacturers.

2816. Did the natives ever manufacture any indigo for export 25 or 30 years ago, or was it not entirely begun by Europeans?—Certainly not entirely begun by Europeans; for indigo as a colour was known and used in the East from the earliest times, and therefore manufactured as well as exported by natives alone. The great extension of the manufacture of indigo in Bengal of late years is no doubt to be ascribed to British enterprize and capital, but of the present produce of the Bengal provinces (exclusive of what is produced in Oude) at least about 20,000 chests are actually grown and manufactured by natives alone, and consigned by them to other natives in Calcutta. Some of the specimens manufactured by natives are to the full as fine as the most beautiful products of European factories; but this is not generally the case, a few of the native merchants only export this article direct to Europe, from not having correspondents in this country to whom to send it, the greater part therefore always passes through the hands of Europeans, as the exporting merchants.

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2817. Are the inhabitants of Calcutta, Madras, and Bombay, living under the protection of the King's courts, and in daily intercourse with Europeans, equal or superior in education and intelligence to the mass of British native subjects living in the provinces under the exclusive government of the East-India Company?—They are, generally speaking, a better educated race than the inhabitants of the interior, but this I ascribe to their living in much more comfortable circumstances than the inhabitants of the interior, and coming more habitually into contact with European refinement. Although the poverty of the interior unhappily consigns its inhabitants to a state of confirmed degradation, in which improvement, either of their circumstances or moral habits, seems equally hopeless, there are still to be found in every part of India numerous individuals, whose natural talents and capacity are fully equal to the inhabitants of the Presidencies.

2818. Had the commerce of Calcutta and Bombay been left as formerly, exclusively to the East-India Company and to the natives, what in your opinion would at this day have been the condition of the natives of those places?—They would have remained, I conceive, as stationary, or perhaps declining, as all countries invariably do which are subject to arbitrary governments and monopolies.

2819. Then the present improved state you attribute principally to the opening of the trade with that country?—I do.

2820. Have such of the natives of Bombay as came under your observation any repugnance to commercial pursuits, or any indisposition to engage in external and internal trade, other than what may arise from the want of their having sufficient means?—Certainly no repugnance; they are, on the contrary, like all the natives of India I am acquainted with, very much given to commercial and industrious pursuits, and exceedingly well qualified to succeed in them.

2821. Have they, to your knowledge, evinced any antipathy towards the consumption of the useful staple commodities of Great Britain, or of any other country?—So far from any antipathy to the use of European commodities, those articles are very much coveted in every part of India.

2822. To what circumstances do you mainly consider it is owing, the slight foreign and internal commerce of India in comparison with the extent and fertility of the country, and the vast population it possesses?—I ascribe it, and always have done, to the extreme poverty of the great mass of the population, chiefly occasioned by the pressure of our fiscal institutions.

2823. Are you aware that, computing the population of British India with the rate of taxation in that country, the amount per head exacted by the government there does not exceed five or six shillings sterling for each person; and if so, do you consider that can produce the poverty of which you complain?—Taking the revenue at £23,000,000, and the population at 80,000,000 to 100,000,000, this would not be deemed a large or disproportionate

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tionate revenue from a wealthy people living in a comfortable state; but when exacted from people who are left, after payment of a revenue based on one half the gross produce of the soil, and the extortion of perhaps as much again by the myriads of officers employed in collecting it, but a bare sufficiency to save themselves and families from famine, it becomes a burden almost too great to be borne.

2824. Can you favour the Committee with a brief view of the nature, extent, number, and pressure of the Indian taxes which contribute, in reference to their influence, upon the commerce and prosperity of the country?—I have endeavoured to compress into as small a compass as I could an intelligible view of the existing system of Indian revenue, but I could not do this in less than two volumes; and as it would be impossible to transfer their contents into an examination of this nature, I beg the Committee will allow me to refer them to those volumes for the best information I can give on the subject.

2825. Are you not able to point out a few of those which principally restrict and affect the commerce of the country to which the allusion principally was?—Where the revenue is collected as it is in India on the principle of the government being entitled to one half of the gross produce of the soil, and vast numbers of officers, whose acts it is impossible to control, are also employed in the realization of this revenue, it is a moral impossibility for any people whatever to live, or prosper, so as to admit of a very extensive commercial intercourse being carried on with them.

2826. Are those observations which you have made the result of your own personal experience, or do you state them as acquired from others?—The result of my own personal experience in the provinces in which I have served in India, coupled with official information as regards the other districts of India, taken from a very valuable collection of papers printed by the Court of Directors in four folio volumes, and other official and authentic sources.

2827. Is the revenue levied on fruit-trees, betel, pepper, sugar-cane, indigo, and similar productions, a fixed and moderate land-tax, or in the nature of an excise in those parts of the territories of Bombay and Madras, with which you are acquainted?—It is anything but a moderate tax; for, as I have shown in the above-mentioned work, it is in all cases exorbitant, and, strange to say, in some instances even exceeds the gross produce of the lands or plantations on which it is levied.

2828. Do you consider it practicable, under such a system as you have stated, to manufacture those articles for foreign exportation, and competition with other countries?—It may be done in lands not subject to the aforementioned exorbitant tax. It may also be the case in Bengal, where the permanent settlement has been enforced for many years, and where its original ruinous pressure is no longer so severely felt; but it would be quite impossible in lands, for example, subject to the Ryotwar tax, or from lands
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where from 45 to 50 per cent. of the gross produce is actually levied as revenue. 19 July 1831.

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2829. You have stated that the tax is equal in some cases to the produce of the land; has land then a saleable value in any part of India where the taxes take away the whole of this produce?—I am personally acquainted with instances where the revenue assessed upon certain lands has actually exceeded the gross produce. I have also known other lands in India where a revenue has been assessed as being specifically derivable from rice-lands, plantations of fruit-trees, pepper vines, and other articles, and each portion particularly described; but on comparing the assessment with the lands in question, those very lands have been found to have been nothing but jungle within the memory of man. Land however has a saleable value in those parts of India where our revenue systems admit of some rent being derived from the land by the landholder or proprietor; but when the whole rent is absorbed by the government tax or revenue, as under Ryotwar or Aumaunee management, the land is of course destitute of saleable value.

2830. Is the soil and climate in Bombay and Madras suited for the growth of sugar and indigo?—Yes.

2831. Are there any of those articles raised for exportation?—Indigo is raised in the Madras provinces for exportation, and brought to this country.

2832. Is there any in Bombay?—There was none in my time in Bombay.

2833. Do you consider the monopoly of salt throughout British India, the monopoly of opium, and the monopoly of tobacco in some of the Madras provinces, prejudicial or otherwise to the interests of commerce?—I consider all monopolies bad; I know of nothing resulting from them but unmixed evil, considered in their effects on the community at large.

2834. Do you consider that the industry of those parts of India, where those monopolies exist, would be promoted by their abolition or throwing the respective branches of trade open to the inhabitants generally?—The more open and free trade and manufactures can be made, the more we know, from experience, they will flourish.

2835. You are aware that they are sources of revenue to a considerable extent, are you able, from your knowledge to state whether, if the monopolies were removed, they could be made productive to the revenue to the same extent?—It has generally been found that revenue has in the long run increased from the abolition of monopolies, or of prohibitive or protective duties. In the instances alluded to in India it is quite clear that a certain sum of revenue is indispensably necessary for the support of the different establishments kept up in that country, and it would therefore be indispensably necessary that every reduction of the different branches of taxation now in force should, as I have explained on a former occasion, be gradually and cautiously reformed.

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2836. Would not such a reform, and opening those monopolies, increase the industry and promote the commerce of India?—I am firmly of opinion that it would.

2837. Are transit and market-duties frequent throughout British India; and what effect, in your opinion, is produced upon the internal trade of the country by their existence?—Transit and market-duties are collected in many parts, and, like all other taxes collected by officers not adequately controlled, great abuses are practised, and the taxes and abuses together operate very injuriously to the internal trade of the country.

2838. Is it your opinion, that in the present united state of the British possessions in India all these transit-duties should be abolished as soon as possible?—It would be a great advantage to India if they were abolished; but as long as the present revenue, judicial, and police systems continue to prevail in India, I believe it would be impossible to abolish them altogether. It was attempted in Lord Cornwallis's time, and formed a part of the system which he introduced into Bengal in the year 1793; but it was found, for many years subsequent to the introduction of that system, that natives, some in official authority, and others not so, continued to exact duties as heretofore, and from the little control which we are enabled to exercise over the acts and conduct of natives in India, I think it would be impossible, as matters now stand, to repress those abuses altogether.

2839. You have stated that the extension of commerce in India would be promoted by a reform in the administration of justice and police; will you state what, according to your inquiries and observation, is the present condition of the administration of justice and police throughout British India?—This is far too wide a field of inquiry to be compressed into an examination like the present; the Court of Directors have, much to their honour, printed several copies of two large folio volumes on this subject, for the use of their servants, which volumes contain most useful and detailed information upon those heads; a careful inspection of these volumes will, I think, convince every impartial mind, that both the police and judicial systems are ill adapted to the circumstances and habits of the people. My impression is that they may be considered a failure in every part of India; whence there is no part of the general administration more in need than this is of immediate reform.

2840. Under such a system of judicature, police, and taxation as you have described, what prospect do you think there is of the inhabitants of British India becoming either a wealthy, a prosperous, or a commercial people, and of their conducting a trade with this country commensurate with their numbers, and the extent and fertility of the country they occupy?—None whatever; the people of India are sufficiently commercial to answer the highest expectations that can be formed, or desired, in respect to trade between the two countries; but our local institutions, including the revenue system, must be greatly altered or modified before the natives can become wealthy or prosperous

prosperous ; if the condition of the natives, their habits, their wants, their rights, and their interests, were properly attended to, all the rest would follow as a matter of course.

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2841. Does the answer you have now given apply to the Bombay, Madras, and Bengal presidencies, where the nature of settlement varies ?—To all.

2842. Would you make any exception with respect to those parts of India where the permanent settlement has been established ?—As regards the judicial system, I think no difference exists ; it appears to me to have been a failure every where, and to be ill suited to the habits and the wants of the natives of India. The revenue system has gradually grown into improvement in Bengal, owing in a great measure to the effect produced by the opening of the trade, in occasioning increased demand for the production of lands on which an unalterable tax had been fixed. In this way I conceive that the opening of the trade to India has greatly conduced to give additional value to the lands in Bengal, and to enable those who now possess estates in that quarter to obtain a rent for them, and sometimes a high rent, where in the first instance there was none at all, or scarcely a sufficiency for a scanty subsistence.

2843. Are you able to state the provinces and parts of India where the permanent settlement exists ?—In Bengal chiefly, if not entirely. Many attempts were made to introduce it into the provinces subject to the Madras government, but in all without success ; and I do not know whether there is any province now under the Madras government in which the permanent settlement is in force.

2844. Can you state the amount of the population where the permanent settlement exists ?—The population of the Bengal provinces has been computed at somewhere between 20,000,000 and 30,000,000, I believe.

2845. You have stated that under the existing system of judicature, police and taxation, the commerce of India cannot, in your opinion, improve in a manner commensurate with the fertility and population of the country ; do you know what opinion Sir Thomas Munro expressed, with reference to the natives bearing taxation to a much greater extent than the state required, rather than, under the existing laws, make any complaint against it ?—I am aware that Sir Thomas Munro has expressed such an opinion. That opinion I conceive to be founded on the present slavish and degraded condition of the people who, in many instances, are afraid to complain. The same effect is produced, and by the very same causes, in all countries where the revenue is so exorbitant, and its exaction so rigorously enforced as it is in India. Turkey I take to be an example in point.

2846. In what manner was the Company's investment of piece-goods furnished in the Bombay presidency previous to the present charter, as far as your own personal observation enables you to state ?—In a publication of mine in 1814, I gave, in an Appendix No. 5, an abstract of a series of proceedings

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ceedings connected with the provision of the Company's investment at Surat, taken from the diary of that commercial Factory, and calculated to show by positive facts the necessary consequences of the Company, as sovereigns, interfering in the internal trade of their own dominions. To this publication I would now beg leave to refer the Committee, inasmuch as the facts therein stated are all official, taken from the most authentic sources, and being certified by the most zealous advocates of the system, viz. the commercial servants themselves, are consequently entitled to greater consideration and weight. The Committee will there find that the Surat investment was provided under the most rigorous and oppressive system of coercion; that the weavers were compelled to enter into engagements, and to work for the Company contrary to their own interests, and of course to their own inclination, choosing in some instances to pay a heavy fine rather than be compelled so to work; that they could get better prices from Dutch, Portuguese, French, and Arab merchants, for inferior goods than the Company paid them for standards, or superior goods; that this led to constant contests and quarrels between the agents of the foreign factories and the Company's commercial resident, and to evasion and smuggling on the part of the weavers, for which on detection they were subject to severe and exemplary punishment. That the object of the commercial resident was, as he himself observed, to establish and maintain that complete monopoly which the Company had so sanguinely in view of the whole of the piece-goods trade of this settlement at reduced or prescribed prices; that in the prosecution of this object compulsory punishments were carried to such a height as to induce several weavers to quit the possession, to prevent which, they were not allowed to enlist as sepoys in the regular battalions, or even on one occasion to pass out of the city without permission from the English chief; that so long as the weavers were the subjects of the Nabob, who was but a tool in the hands of the British government, frequent application was made to him to punish and coerce weavers for what was called refractory conduct; and when severity was exercised towards them, the Nabob was desired to make it appear as the voluntary act of his own government, and to have no connection with the Company, or their interests, lest it should excite ill-will and complaint against the British government; that to monopolise the piece-goods trade for the Company at low rates, it was a systematic object with the resident to keep the weavers always under advance from the Company to prevent their engaging with other traders, while neighbouring princes were also prevailed on to give orders, in their districts, that the Company's merchants and brokers should have a preference to all others, and that on no account should piece-goods be sold to other persons; that subsequent to the transfer of Surat to the British government, the authority of the Adawlut, our own Court of Justice, was constantly interposed to enforce those measures. These and other acts, compulsive, oppressive and unjust to the weavers, are recorded at full length in the Surat Commercial Diary, extending in the abstract alluded to from 1796 to 1811, and no doubt the same or similar practices

practices existed elsewhere, for the system, and not the individuals, were most to blame in this matter. This, indeed, is the impression I would wish to convey to the Committee in giving these details. Although A. B. may be recorded to have committed these acts, it is but too probable that C. D. would have done the same under the same circumstances. A commercial resident, anxious to promote the Company's interests, or dreading the consequences of disappointment in completing the Company's investment, naturally desires to secure in its favour all the advantages which power can give it. To this end arbitrary and oppressive acts are secretly encouraged, or connived at, till the commission of them comes to be considered a zealous performance of official duty, and this must ever be the case where power and commercial dealings are committed to the same hands.

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2847. Have not those practices which you have now stated been done away with in most parts of India?—This was the practice when I quitted India in 1811; I have understood that sundry regulations have been passed since that period for correcting this system of providing the Company's investment, but I do not believe that those regulations ever have been or can be effectual as long as the present system of power and commerce united exists.

2848. Are you aware that the Company has not for years had any investment from Surat, or that part of the country?—I allude to other places as well as Surat, when I speak of the general mode of providing the Company's investments in India.

2849. You are aware that the Company, when they objected to the free trade being carried on, alleged that the inhabitants of India would be ruined by the want of the Company's employment in the various commercial branches where they were used?—It has been so alleged.

2850. Can you state whether the allegation that the native inhabitants of India have suffered from the loss of the Company's trade is well founded or not?—On the contrary, the community at large would considerably gain by the withdrawal of the Company from all branches of trade.

2851. Have they not in every branch where the Company have ceased to trade been comparatively free from that oppression which you have stated to have existed?—They certainly have. The Company would also be great gainers by the entire abolition of their own trade; for whilst they would gain as sovereigns, they would also be saved from those heavy losses which are inseparable from their present commercial operations.

2852. Can you state what opinion the Marquis of Wellesley expressed in an official despatch of 1804 on the subject of the Company's carrying on trade in piece goods and others, in Bengal, soon after his arrival there?—In a letter from the Governor-General in Council to the Government of Madras, dated the 19th of July 1804, Paras. 44 to 46, it is stated that the
government

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government of Madras and Bombay during the last Charter prohibited British merchants from trading to Europe in piece-goods unless such merchants consented that their goods should be provided by the commercial agents of the Company; and the Government-General on that occasion denounced such stipulations as being equivalent to a prohibition of the trade.

2853. Comparing the effects of that system which you have now alluded to of providing the Company's investment with the inconveniences which may have resulted from the importation of British cotton manufactures, which are you disposed to consider as acting most prejudicially on the interests of the Indian artizan?—The Government-General in the letter before quoted refer to various acts of rigour and oppression which were then habitually practised upon the weavers by the officers of Government, of the same kind with those I have already described in the provision of the Surat investment, and those acts are denounced in very strong language as injurious to the community at large, the interests of the Company themselves, and very inconsistent with the means of promoting the general prosperity of the country. The provision therefore of the Company's investment in the manner described in that letter must be considered, and is accordingly denounced in the letter itself as an enormous evil. The introduction of cheap British manufactures into India I take to be a positive good; the two cases in my opinion do not admit of comparison.

2854. Is it not true that the great staple manufacture every where must be of domestic production, and not foreign; and applying this principle to India, is there any risk that British cotton fabrics will ever supersede the coarse cottons of that country, which constitute in fact the main consumption of that people?—Although many articles of British manufacture are now imported into India at a far less cost than the same, or corresponding articles, can be produced in the country itself, it is quite clear that they have not altogether superseded, and probably never will supersede, the use of coarse cotton articles manufactured in India by the natives themselves. There is one very strong proof of this in the large quantity of cotton-yarn twist which is now exported from this country to India for the purpose of manufacture on the spot, and is altogether a new article of trade; but as regards coarse goods manufactured in Bengal, I believe it will be found, on reference to official returns, that certainly as large, if not greater quantities than ever of these goods are now exported to the Eastern Archipelago, (the chief market for them), whence it is clear that the manufacture has not been superseded.

2855. In the event of the British government of India being relieved from all their commercial functions, do you anticipate any inconvenience in the operation of remitting the territorial revenue to England for political and military payments?—None whatever, as I have already explained in the evidence I gave to the Committee last year.

2856. Do you know the amount of the payments made in England on an average

average of years?—I could state the average for the last twenty years from one of the statements which is upon the table of the Committee if I had it before me; the amount has greatly increased of late years, and according to that statement, it now amounts, if I recollect right, to between two and three millions annually.

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2857. In what manner would you propose, under such circumstances, that the territorial revenue should be remitted?—It might be remitted in good bills without any inconvenience, and with perfect security for their payment in this country.

2858. Comparatively speaking, do you anticipate any greater difficulty in remitting revenue from India to England to meet all those payments than there now exists in remitting the Scotch and Irish revenue to the English Exchequer?—The one may be remitted with as much ease and security as the other; there is no difficulty in making remittances from one country to another where the commercial intercourse is free. This is the case between all the countries of Europe, and with America; and I can see no reason why the same facilities might not exist in the commercial intercourse between India and England.

2859. At the present time, you consider that there are certain impediments to the commerce between England and India?—I do.

2860. If the money requisite for those payments can now be remitted under those restrictions, would it not be easier to remit it if the trade was free, and carried on to a greater extent?—Certainly.

Jovis, 21^o die Julii, 1831.

SIR JAMES MACDONALD, BART. in the Chair.

THOMAS LANGTON, Esq. called in, and examined.

2861. You are a merchant at Liverpool, and have received a regular mercantile education?—I have; I have been all my life engaged in commercial pursuits.

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2862. Have you recently given particular attention to the financial accounts of the East-India Company?—I have; I was last year upon the deputation from Liverpool here, to oppose the renewal of the charter, at the time when Mr. Melvill was examined upon the 7th of June 1830; and I was requested by those with whom I acted to compare those statements with the accounts, with the view of ascertaining how far those statements might might not be implicitly relied upon.

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2863. How far back have you carried your retrospect of the Company's accounts, and will you state to the Committee the grounds on which you have pursued that inquiry?—I have gone back to the year 1765, the period of the acquisition of the Dewannee, to which Mr. Melvill's preliminary observations extend. Mr. Melvill, before entering on the comparative statement of the financial results of the Company's affairs during the present charter, for which he had been called on in question 5671, considers it desirable previously to place before the Committee, in as clear a point of view as he can, the position of the Company in respect of the two branches of their affairs at the close of the last charter; and he adds, that it is obviously important that the Committee should see that the commercial capital of the Company rests on a solid basis, and that the debt of the East-India Company had its origin entirely in territorial causes. The propriety of adopting such a course, and the inutility of any inquiry into the result of the transactions since 1814, till a well ascertained point of departure had been first obtained, was so obvious, that my attention has been principally directed to examine in how far Mr. Melvill has succeeded in establishing the relative situation of the two branches at the commencement of the present charter on just and admissible grounds.

2864. Are the Committee to consider the data from which you draw the conclusions you are about to state to be taken from official documents?—Yes.

2865. As you have well considered Mr. Melvill's evidence, what is the result which you consider he brings out, and how far does it accord with that result which, after the deliberate examination you have made, you now are prepared to state?—Mr. Melvill states to the Committee, in answer to question 5671, that if the accounts had been separated previously to 1814, according to the plan laid before Parliament in 1816, a balance of £12,044,934 would have been due at the close of 1814, from the territorial to the commercial branch. It must be obvious to the Committee that from such data as are afforded by the accounts laid before Parliament by the East-India Company, no such precise balance can be deduced as would be expected between individuals responsible to each other for correct statements of their transactions; an approximative result is all that can be attempted, and when the Committee shall have heard that which I have endeavoured to deduce, and the grounds on which it is founded, it will be for them to decide whether that, or the very different one which Mr. Melvill presents, makes the nearest approach to the actual relative situation of the two branches.

2866. Can you state upon what principle Mr. Melvill has proceeded in arriving at his results?—Mr. Melvill divides the time from the first acquisition of the Dewannee to the commencement of the present charter into three stages, and he particularizes the proportion of the balance which he states to be due to the commerce incurred in each; that is, from 1765 to 1780, from 1780 to 1793, and from 1793 to 1814.

2867. With respect to the first period, how does Mr. Melvill proceed?—
Concerning

Concerning the first period he says in his reply: "In the year 1781 there was laid before Parliament a statement framed by a committee of East-India proprietors, for the purpose of showing what part of the Company's commercial funds had been expended in the wars which preceded the acquisition of the Dewannee: that account, which can be exhibited in detail, showed that the charge incurred by the Company in those wars, in excess of the sums afterwards derived from the territorial revenues, amounted, exclusively of any charge of interest, to £3,616,000."

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2868. Have you examined that paper, and what is its date?—I have in vain sought for such a paper amongst those presented to Parliament in 1781, but I found one, presented on the 26th and dated the 16th of May 1783, which corresponds so nearly with Mr. Melvill's description, that I have no doubt it is that he refers to, and the date in his answer is probably an error of his or the printer's.

2869. Have you found that paper and examined it?—I have consulted it in the Journal-office, it is in Press 22, Bundle 16, No. 202. The only details which it exhibits are, that on a comparison of the funds, cargoes, &c. sent to India, with the cargoes, &c. returned to England from thence, between the year 1730 and the year 1745, it appears that £1,818,440 had remained in India during those years for the maintenance of the Company's settlements in India, more than the revenues collected in the several provinces produced during that time; that upon a similar comparison between the years 1749 and 1764, £6,888,124 had remained there; that deducting from this latter sum the amount which had remained there during the former period, it leaves £5,069,684, which they infer must have been spent in the prosecution of the wars with the native princes, which terminated in the grant of the Dewannee.

2870. Do the proprietors of East-India stock claim the £5,069,684 alleged by them to have been expended from their commercial funds in those wars, as a debt due to the commerce from territory?—They merely state the amount thus expended in the wars, the success of which had led to the territorial acquisitions; stating that that sum, having been evidently supplied from the credit of the trade, ought surely to be reimbursed to the proprietors before any claim of participation had been admitted on the part of the State.

2871. Is the paper or statement of the proprietors of East-India stock alluded to accompanied by any vouchers or details, to enable you to ascertain of what items the debtor and creditor side of that account had been made up?—There are no vouchers referred to.

2872. How are the sums afterwards derived from the territorial revenue ascertained?—Another paper presented by the committee of proprietors, and which I have also obtained from the Journal-office, Press 22, Bundle 16, No. 202, and signed "Samuel Nicoll, Accountant, East-India House," shows a balance, on comparison of the goods, stores, bullion, &c. sent to India and China from 1764 to 1777, with those received from thence between 1766

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1779, of £3,622,969, which is therefore stated as the sum realized in England from the revenues.

2873. Is this paper accompanied by any vouchers or details?—There is a similar want of all reference to vouchers.

2874. Had you, at the Journal-office, access to all the papers presented on that day to the House?—I examined the whole of them; they are twenty in number, but these are the only ones which appeared to me important to the question before the Committee.

2875. Do any of the remaining seventeen purport to be vouchers or explanatory statements of the items of those you now produce?—No.

2876. Were there no Parliamentary documents of authority, to which the Company's auditor-general might have had recourse, for the purpose of proving that the commercial capital of the East-India Company rested on a solid basis, and that the debt of India had its origin entirely in territorial causes?—There were accounts prepared by the Company's accountant-general and laid before the Committees of Secrecy of the House of Commons in 1773 and 1782, which I suppose will be considered documents of higher authority than those which have just been exhibited to the Committee: from those accounts, which are plain, straight-forward, and intelligible compared with those furnished to Parliament since that period, it appears, that between 1765-6 and 1778-9 the Company's commercial branch had drawn from the territorial revenues the sum of £6,115,979; this is independent of many constant and heavy outgoings which had previously been borne by the commerce, but from which, on the grant of the Dewannee, it seems to have been instantaneously relieved.

2877. Do the documents to which you have last referred appear in the Report of the Secret Committees in 1773 and 1782?—Yes, they do.

2878. Assuming for the present, that the sum stated by the proprietors to have been drawn from the revenues was correct, will the comparison of that sum, with the amount stated by them to have been spent in the wars, give the result which Mr. Melvill has stated to the Committee?—The sum of £3,622,969, stated by the committee of proprietors as derived from the territorial revenues, when deducted from the sum of £5,069,684, the amount stated as spent in the wars, leaves only £1,446,715, and not £3,616,000, stated by Mr. Melvill as the excess of expenditure above the sums derived from the revenue.

2879. Then even assuming what you presume to be the same data, you draw a different result?—Yes.

2880. Are you able to account in any way for this difference?—It appears, from another paper presented by the committee of proprietors upon the same day, that during those fourteen years £2,169,399 had been paid into the Exchequer, in participation of the Bengal surplus revenue, in pursuance of agreements recorded in the Acts of the 7th Geo. 3, c. 57, and the 9th Geo. 3.

c. 24, by which the Company were allowed to remain in possession of the territories and revenues for seven years, in consideration of annual payments of £400,000 during that time. On account of these payments, the £2,169,399 before mentioned was paid at different times, and this sum added to the £1,446,715 spent in the wars, in excess of the sums afterwards derived from the territorial revenues, will make up the sum of £3,616,114, which so nearly agrees with that stated by Mr. Melvill as due from the territory to commerce, that I presume it will afford the real explanation of the difference; but as Mr. Melvill does not mention or allude to this paper, and as it appears to me that it would be unjust to claim as a debt from the territory the amount paid to Government for the permission to appropriate the surplus territorial revenue, this difference may possibly be otherwise explained by Mr. Melvill.

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2881. Have the goodness to look at the three Accounts to which you have now been referring.

[The said Accounts were read, and are as follow:]

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STATEMENTS to show the Expenses of the WARS and HOSTILITIES in *India*
of the Dewannees of Bengal, Bahar, and

A STATEMENT of the Cost of the Goods and Stores exported from England, of the
from Abroad, and of the Profits arising on the Sale of Europe Goods and Stores in
Cargoes for the corresponding Years, in order to show what the Returns fell short of
Disturbances in India with the native Princes, and when the East-India Company's

		£.
From Sept. 1730 to Sept. 1745 ; 15 Years.	To the cost in England of the goods, stores, and bullion exported to India and China, the amount paid for bills of exchange drawn on the Di- rectors, and the charges paid for raising recruits &c. in the course of the fifteen years : together with the profit (amounting to about £850,000) arising from the sale of Europe goods and stores abroad.....	13,152,968
		£ 13,152,968

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sustained out of the Company's Trading Stock, previous to the obtaining the Grants Orissa, and the Five Northern Circars, in the Year 1765.

Military Charges, &c. paid at Home, of the Bills of Exchange drawn on the Directors India and China, from 1730 to 1745, contrasted with the Invoice Cost of the returning the above Sums disbursed from hence, at a period prior to any of those Disputes or Concerns in India were confined solely to Commerce.

		£.
From March 1732 to March 1747 ; 15 Years.	By the Amount of investments imported into England from India and China in the fifteen years, reckoning from the arrivals in 1732 down to those that came home in 1746 ; these, according to the invoices, came to	11,334,528
	By Balance, being the amount which India and China returned to England short of the sums furnished and disbursed by England for the support of the several settlements, including the profits on the outward trade, amounting to.....	1,818,440
	£	13,152,968

Note.—The £1,818,440, the Balance above, shows the amount expended in the space of fifteen years, for the maintenance of the Company's settlements in India, more than the revenues collected in the several presidencies produced during that term ; equal, on the general average, to £121,229 a year.

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STATEMENTS to show the Expenses of the WARS and HOSTILITIES in *India*
of the Dewannees of Bengal, Bahar, and

A STATEMENT made out to show the Sums expended in India from the Treasury in
Years, from 1751 to 1766, to support the Wars carried on in India against the Native
expended in the space of the above fifteen Years, when the Company's Transactions

		£.
From Sept. 1749 to Sept. 1764; 15 Years.	To the cost in England of the goods, stores, and bullion sent to India and China, the amount paid for bills of exchange drawn on the Di- rectors, and the expenses incurred for raising and transporting troops, and some other dis- bursements not relating to commerce. These several articles, including the profit, amounting to about £1,500,000, arising from the sale of Europe goods and stores abroad, came to, in the fifteen years	19,051,071
		£ 19,051,071

The average amount of the expenses incurred in the fifteen years, more than
England, and from the profits of the Outward Trade, came to £459,000

From whence deducting £121,229 for each year, being the average
Trade, which, for the

shows the amount expended to carry on the wars against the native princes,
and that sum having been evidently supplied from the credit of the trade,
tion, had been admitted on the part of the State.

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sustained out of the Company's Trading Stock, previous to the obtaining the Grants Orissa, and the Five Northern Circars, in the Year 1765.—*continued.*

England, and from the Profits arising from the Outward Trade, in the space of fifteen Princes, by comparing the Demands for those fifteen Years' Warfare with the Sums were merely commercial.

	£.	£.
From March 1751 to March 1766; 15 Years.	By the Amount returned to Eng- land from India and China in goods, in the space of fifteen years, reckoning from the cargoes which arrived in 1751 to those which ar- rived in 1765 inclusive; these se- veral investments were invoiced at	12,043,745
	Add to this the sums paid in dif- ferent years by Government in lieu of forces withdrawn from India.....	119,202
	By Balance, being the amount which India and China returned to England short of the sums furnished and disbursed by England for the support of the several settlements, including the profit arising from the sale of Europe goods and stores abroad; came to, for the fifteen years	6,888,124
		12,162,947
		19,051,071

the amount of the revenues, and taken from the Treasury in } for each year; equal, for the fifteen years, to	£6,888,124
amount of the commercial drain on England and its Outward } fifteen years, came to	1,818,440
The remainder	£5,069,684

and from the success of which wars the territorial acquisitions were acquired; ought surely to be reimbursed to the proprietors before any claim of participa-

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A STATEMENT to show the Amount realized in England

From Sept. 1764; Sept. 1778; 14 Years.	To the cost in England of the goods, stores and bullion sent to India and China; with the ex- pense of raising and transporting troops for the defence of the territories, with other charges (not relating to commerce) paid here, from the Season 1764 to the Season 1777, both included; these several heads came to	£. 9,990,439	£. 18,126,878
	The bills of exchange drawn from India and China on the Direc- tors, from the Season 1765 to the Season 1778, both inclusive.....	6,996,015	
	The profits arising in fourteen years from the sale of Europe goods and stores abroad, the last year by estimate; and applied to the purchase of the investments for Europe.....	1,140,424	
	Balance; being what the above articles are short of the amount of the investments, and is there- fore the sum realized in England from the reve- nues.....		3,622,969
		£	21,749,847

N. B. The sum of £3,622,969 realized from the revenues in fourteen

Errors excepted.

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from the Territories and Revenues obtained in India.

<p>From March 1766 to March 1780; 14 Years.</p>	<p>By the amount returned to England from India and China in the space of fourteen years, reckoning from the arrivals in 1766 to the arrivals in 1779, both included: these several investments, according to their invoices, cost the sum of £21,721,654</p> <p>Received in the Season 1775 of Government, on account of the Manillas..... 28,193</p> <p>The above fourteen years' imports were brought to market, and sold in fourteen years and a half, or to their full amount.</p>	<p>£. 21,749,847</p> <p>£. <u>21,749,847</u></p>
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years and a half, is nearly equal to seven per cent. per annum on the capital.

East-India House, }
16th May 1783. }

SAMUEL NICOLL,
Accountant.

21 July 1831. AN ACCOUNT of the Monies paid Government, in consequence of Agreements
with the Company concerning the Territorial Possessions in India.
T. Langton, Esq.

	£.	s.	d.
1768. 24th March, being the 1st half-yearly payment, per Agree- ment	200,000	0	0
28th Sept. 2d ditto	200,000	0	0
1769. 23d March 3d ditto	200,000	0	0
28th Sept. 4th ditto	200,000	0	0
1770. 24th March, being the 1st half-yearly payment, per fur- ther Agreement	200,000	0	0
28th Sept. 2d ditto	200,000	0	0
1771. 23d March 3d ditto	200,000	0	0
28th Sept. 4th ditto	200,000	0	0
1772. 24th March 5th ditto	200,000	0	0
1773. Paid in exchequer bills out of loan of £1,400,000 per Act of Parliament 1st July 1773, which was payable 29th Sept. 1772	200,000	0	0
Ditto, being part of the last payment per Agreement payable 25th March 1773	53,779	3	5½
1775. 13th Jan., being the remainder of the last payment per Agreement, and which was payable 25th March 1773	115,619	14	9
£	2,169,398	18	2½

(Errors excepted.)

East-India House, }
16th May 1783. }

SAMUEL NICOLL,
Accountant.

[*These Accounts, after being printed in the Evidence, were taken out and restored to their place.*]

2882. Does it appear that in any of those accounts you have examined, there is any interest-account kept of the advances between territory and commerce, during the period to which that account relates?—None whatever; there is no distinction made between the branches, though a distinction is very easily drawn from them as prepared up to 1778-79; but no interest-account from the one branch to the other appears to have been at all entered upon during this period.

2883. Does there appear to be any interest-account previous to that period?—None whatever.

2884. May not that interest-account, therefore, if such has been kept, perhaps account for the difference which you see in the statement of Mr. Melvill?—I think at that period no distinction was made between the two branches; and the idea of an interest-account between the two was never entertained.

2885. If

2885. If the amount which you deduce from the accounts laid before the Secret Committees to have been derived by the commerce from the territorial revenues be taken as the more correct, what will then appear to be the balance between the commerce and the territory at the close of the first period?—The amount of aid to the commerce from the territorial revenues during this period, drawn from these accounts, varies considerably, according as the supplies to Bencoolen and the charges of St. Helena are included in, or left out of the account; but I take them in the most favourable way for commerce, and adding to the £6,115,979, which they exhibit as the balance of aid to the commerce, the sums from the payment of which the commerce was relieved on the acquisition of the Dewannee, by their immediate transfer as a charge upon the territorial revenues, it cannot, I think, be doubted, that the Company was not only fully reimbursed for all the money spent in the wars between 1749 and 1764 (the greatest part of which had no apparent connexion with the subsequent acquisitions in Bengal), but that a large amount in excess of their outlay must have been added to their commercial funds out of the Indian territorial revenue.

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2886. Are the Committee to understand, that prior to the accession of the Dewannee to the Company the expenses for maintaining Bencoolen and St. Helena were charged on the commercial branch?—There was no other source from which they could be defrayed.

2887. Then are the Committee to understand, that from the acquisition of the Dewannee, although those places had been previously kept up for the support of trade, the expenses of those establishments were immediately transferred from commerce to territory, and that in this way you consider the expenses which commerce had paid to territory have been more than repaid?—That is the ground upon which I make that remark. Those expenses had always previously been borne by the commerce; there was no other source from which they could be borne; the same may be observed of the establishments at Bombay, and even at Madras; but these also, upon the acquisition of the Dewannee, were immediately from that time, and perhaps very properly, considered as territorial charges, but they were, at the time when they occurred, an immediate relief to the commerce.

2888. Do you know the exact annual amount of the expenses for Bencoolen and St. Helena the year before they were transferred to the territorial charges?—No, I do not recollect it; but as nearly as I recollect, the whole of the charges of St. Helena from 1765 to 1788-9, amounted to about £140,000, that is, about £10,000 a year, and the supplies to Bencoolen considerably more; what the establishment there was, I have no means of judging, because it is combined with the funds supplied to that place for the purposes of trade.

2889. Have you any other observations to offer to the Committee in reference to this period?—I have with reference to the debt with which the territory is charged, and of which Mr. Melvill states it to be important that the
Committee

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Committee should see that it had its origin entirely in territorial causes. From the accounts laid before the Committee of Secrecy in 1782, it appears that at the close of 1780, or to be more particular, on the 31st of October 1780, for Bengal, on the 30th of November 1780 for Madras, and on the 27th of May 1781 for Bombay, the Company's bond debt in India amounted to £1,790,626. It appears also that the amount by which it had been increased since 1765 was about £1,229,239; the difference therefore of £561,387 must have been its amount at the time of the acquisition of the Dewannee, when the only security to the holders of the bonds was the commercial assets of the Company. This seems scarcely consistent with Mr. Melvill's view of the debt having had its origin entirely in territorial causes. I would further observe that, admitting the Company to be entitled to appropriate to their own use the surplus territorial revenue, yet every expense attending the government and administration of the country should have been fully provided for, before the residue of the revenue could be taken as surplus; if, therefore, the Company so anticipated that surplus, that it became necessary to borrow money to defray the current expenses of the government, such loan can only be considered a commercial loan; the whole debt therefore at the close of 1780, as well that owing before the acquisition of the territory as that taken from the revenues beyond the amount of disposable surplus, and replaced by loan, must be considered as a commercial debt; and if, from that time to the close of 1828, the territory had been relieved from the payment of the interest on that debt, all other payments and receipts remaining the same, the territory would have been upwards of £52,000,000 richer; it would not have had a shilling of debt, and would have had £10,000,000 sterling more in its coffers than it has at present.

2890. By bond debt do you mean the debts bearing interest in India?—Yes.

2891. You have alluded to the 7th and 9th of Geo. 3, by which the Company were allowed to retain the possession of the revenues of India on condition of paying a certain annual sum, and you have stated, from the papers delivered in, certain payments made therefrom; do you not understand by reference to those accounts that proposals were made by the East-India Company, in the preamble of the 9th of Geo. 3, to pay the annual sum of £400,000 as part of the surplus revenues of India, for the term of five years?—It appears that they were to pay that sum as a condition for their being allowed to hold the territories and to receive the revenues.

2892. Have you been able to see those proposals alluded to in the preamble of the statute?—No.

2893. Did those payments under the 7th and 9th Geo. 3, continue to be paid for the full period that the Act required?—No; it appears that the Company were in pecuniary difficulties, and were released from completing the arrangement of the payment of this up to the termination of the five years, to which the latter Act relates; but it does not follow, because they may have been in difficulties in this country, that they did not draw from the revenues
of

of India the sums mentioned. I have drawn out an account from those papers presented to the Committee of Secrecy, which I think shows the aid derived by the commerce from the territory during that period.

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2894. Have you any other grounds for supposing that there was a surplus of territorial revenue in the years to which you have alluded, except the fact of the payments having been made by the Company to the Government, as described by the 7th and 9th Geo. 3.?—Those payments might lead to the inference that there had been such a surplus, but they could never have shown what the amount of that surplus was. It is from the accounts delivered in to the Committee of Secrecy from the year 1765 to 1778-9, from each Presidency, Bencoolen and St. Helena, that I have combined and condensed the whole account; from which it appears to me easily to be deduced that the amount derived from the territory to the commerce is that amount which I have stated. What became of it does not appear.

2895. Then the result of your calculations, drawn from the documents presented to the Secret Committee, leads you to the inference that the sums derived by the commerce from the territory at that time, were derived from it before all the expenses of government were paid by the territory?—I conceive that the territories of India paid the whole expenses of government, and that this sum was taken by the Company as a surplus exceeding those expenses. From the addition made to the debt it would appear, however, that they must have taken more than the surplus, since it became necessary to borrow money to make it up. There are no dates given but of the year; therefore the Company may have wanted money and taken it in January, and it may not have been ascertainable till September what their revenues or surplus were.

2896. Have you had an opportunity of looking to the charges and to the revenues of India during that period, and ascertaining whether, after deducting the charges from the revenue, there was a surplus?—Undoubtedly there was.

2897. Have you those accounts?—I have a condensation of the several papers drawn into one. In a former answer I stated that the aid derived from the territory would appear different, according as the charges of St. Helena and Bencoolen were included in it or not. In the first instance I have taken out the account as including St. Helena and Bencoolen, and below I have made out the account as it would be if confined to the three Presidencies, which would make an aid of £6,981,000. This account extends from 1765-6 to 1778-9.

2898. Do you put in this account in support of the opinion you have formed that there was an actual surplus revenue from territory during the period to which your examination alludes?—I do.

2899. And those results are drawn, as you have stated, from the official papers laid before the Committees of Secrecy of the House of Commons in 1773 and 1782?—They are.

[The witness delivered in the same, which was read as follows:]

GENERAL STATE of Receipts and Disbursements at the several Presidencies and Settlements, extracted from the Accounts laid before the Committees of Secrecy of the House of Commons, in 1773 and 1782.

Receipts from 1765-6 to 1778-9.	Bengal.	Madras.	Bombay.	1764-5 to 1777-8. Bencoolen.	1765-6 to 1770-1. St. Helena.	1766-7 to 1779-80. China.	TOTAL.
	£.	£.	£.	£.	£.	£.	£.
Revenues from Customs, Territorial Acquisitions, Nabobs, &c. .. }	38,423,270	10,666,939	2,001,071	39,680	5,028	—	51,135,988
Bond Debt contracted, Notes put in circulation }	1,576,348	395,839	646,043	105,378	—	15,360	2,738,968
Remittances from other Settlements .. }	657,249	2,083,830	2,326,197	387,242	15,893	1,685,219	7,155,630
Gains on Batta, at the Fac- tories, on Indian and on European Goods .. }	1,167,610	515,865	667,050	241,710	7,496	308,220	2,907,951
Bills of Exchange on Eng- land }	2,930,525	749,866	952,498	336,402	54,352	1,926,664	6,950,307
Cargoes from Europe, at Europe price, with ten per cent. }	1,737,506	1,593,276	2,090,359	354,065	76,114	2,921,912	8,773,232
Total Receipts .. £	46,492,508	16,005,615	8,683,218	1,464,477	158,883	6,857,375	79,662,076
Disbursements from 1765-6 to 1778-9.							
Charges, Civil and Mili- tary, Buildings and For- tifications, Payments, Donations, &c. .. }	24,063,105	10,242,238	5,666,929	720,756	140,619	—	40,833,647
Bond Debt discharged, Notes taken out of cir- culation }	2,144,439	343,336	78,437	15,661	—	28,049	2,609,922
Remittances to other Set- tlements }	5,040,666	1,903,501	570,214	280,284	3,945	72,731	7,871,341
Losses on Batta, at the Factories, on Indian and on European goods }	1,341,096	430,274	634,031	178,259	10,796	132,774	2,727,230
Cargoes to Europe, valued at prime cost .. }	11,076,446	2,933,813	1,239,065	134,405	—	6,504,188	21,887,917
Total Disbursements .. £	43,665,752	15,853,162	8,188,676	1,329,365	155,360	6,737,742	75,930,057

COMMERCE in Account with the Territory of India, from 1765-6 to 1778-9.

Dr.		Contra.	Cr.
	£.		£.
To losses at the several Presidencies } and Settlements, exclusive of China }	2,594,456	By gains at the several Presidencies and } Settlements, exclusive of those in }	2,599,731
To cargoes sent to Europe, exclusive } of those from China }	15,383,729	By bills on England, exclusive of those } drawn in China }	5,023,643
To remittances from other Settle- ments to China .. £1,685,219		By cargoes from Europe, exclusive of } those to China }	5,851,320
Less, remittances from } China to the Settle- } ments }	72,731	By balance, aid from Territory to Com- } merce from 1765-6 to 1778-9 .. }	6,115,979
	1,612,488		
£.	19,590,673	£.	19,590,673

COMMERCE in Account with the Territory of India, from 1765-6 to 1778-9,

(confined to the Three Presidencies,)

Dr.		Cr.	
	£.		£.
To losses at the three Presidencies ..	2,405,401	By gains at the three Presidencies ..	2,350,525
To cargoes sent to Europe from ditto ..	15,249,324	By bills drawn on England from ditto ..	4,632,889
To remittances from ditto to } China }	£1,612,488	By cargoes from Europe to ditto ..	5,421,141
Bencoolen.. ..	106,958	By balance, aid from Territory to Com- } merce from 1765-6 to 1778-9 .. }	6,981,564
St. Helena.. ..	11,948		
	1,731,394		
£.	19,386,119	£.	19,386,119

2900. Besides Bencoolen and St. Helena, had not the Company, as merchants, to defray the expenses of Bombay previous to the acquisition of the Dewannee?—Undoubtedly.

2901. Do you, in the Statement you have given in, make any allowance for the support of Bombay during the period to which this Account applies?—That is taken as a territorial charge in the Account.

2902. Then as far as the expenses of Bombay formerly charged to commerce may go, it would be in favour of your statement that the revenues had been surplus?—Undoubtedly.

2903. In the first Account you have produced, it is stated that there are £5,069,648 remaining in India; from whence did that sum arise?—The

21 July 1831. committee of proprietors stated that it arose from their commercial funds ; and of course, if the amount of that expenditure is correctly given, it came from the only source they had ; that is, from their commercial funds.

2904. What observations have you to make upon the financial period from 1780 to 1793 ?—Mr. Melvill, in reference to the period from 1780 to 1793, proceeds to say, that by an estimate framed upon the principles of separation now observed, the excess of payments by the commerce from 1780 to 1793, was £6,829,557. This is the heaviest charge brought against the territory, and the period in which it is stated to have arisen is precisely that in which the data for investigation are most scanty and imperfect. No Select Committee, I believe, was appointed to prepare the way for the Act of 1793 renewing the Company's privileges ; the Accounts for the period since the former inquiries were not called for and looked into ; and as the Accounts annually laid before Parliament were not printed till towards the close of the period, the original Accounts would be difficult to trace out, and very laborious to examine. There was published, however, in 1802, a compendium of East-India Accounts and Affairs for the use of the Directors, by an officer of the East-India House, to which, in defect of documents of higher authority, reference may be had ; they are not so complete as might be wished, but I have no doubt they were extracted from the Parliamentary Papers, and as far as they go may, I think, be relied on. But before stating the result deducible from this source, I should wish to detail some circumstances of the times in question, the tendency of which is to show what result it would be natural to expect to find. From 1765 to 1780, the period immediately preceding that into which I am about to inquire, it is admitted in their own accounts that the Company drew continually and largely from the territorial revenue in aid of their commerce. From 1792-3 to 1802-3, the eleven years immediately succeeding, the Select Committee of the House of Commons state, in their second Report, page 63, "that the revenues of India proved more than sufficient to defray every expense of administration and government. and the interest of the debts, by a sum of £3,734,445." Of the intervening twelve years, I find, on reference to a pamphlet published by Mr. Hastings immediately on his return to England in 1785, this statement, at page 36, that up to the time of his leaving India in the beginning of that year (including therefore the four first years of our period), the state of the territorial finances had continued such, notwithstanding the heavy expenses of the recent wars, as alone to support the commerce of the Company. Mr. Hastings states also in the same publication, at page 32, that the revenue of the Bengal provinces, at the time of his leaving India in the early part of that year 1785, was competent to pay a yearly tribute to the Company of a crore of rupees, applicable either for supplies to the other presidencies or to China, or to be invested in cargoes for Europe. In this prosperous state India enjoyed, I believe, a more undisturbed peace from 1785 to 1789 than it has ever been blessed with for the same length of time ; it was a period of profound peace in Europe, and there seems little cause to have existed for extraordinary expenses.

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penses. The war with Tippoo then broke out; but it was a successful war, and the sultan, besides ceding a portion of his possessions, was charged with the expenses of the war, which were laid, I think, at £1,600,000. It appears to me therefore inconceivable, that placed between two periods of surplus revenue, a few years under the circumstances described by Mr. Hastings, and so little disturbed by untoward events, should have swallowed up, not only the whole territorial revenue and near £6,000,000 sterling of new debt, but have required moreover assistance from the commercial branch to the extent of £6,800,000. I now proceed to state the result which I deduce from the collection of accounts before alluded to. These accounts embrace the eleven years from 1781 to 1791 inclusive; the Madras accounts are deficient for the first year, which I have taken on an average of the five following; the St. Helena charges are wanting for the two first years, which I have taken on the average of the seven following. The interest on the debt is also not given for the four first years; this I have estimated on the supposition that the increase of the debt during those four years had been equable. The total revenues of Bengal, from 1781 to 1791 inclusive, were £57,242,303; of Madras, £14,384,619.; of Bombay, £2,271,718; of Bencoolen, £35,938; total of the ordinary revenues, £73,934,608. The military, civil and judicial charges of Bengal for the same time were £40,385,696; of Madras, £18,555,700; of Bombay, £8,813,195; of Bencoolen and supplies to it, £664,712; the charges of St. Helena, £306,623; making a total of £68,725,926; leaving a surplus of £5,208,682; to which add the increase of debt, or money borrowed during this period, £5,747,350; making together £10,956,032. The interest on the debt (the four first years on a full estimate) cannot have exceeded £5,110,428; and if there be allowed for stores from England and sums paid in England, supposed chargeable to the territory, taken for these eleven years at the same amount at which they were charged for the year 1793, in the Appendix to the 3d and 4th Reports of 1811 and 1812, they will amount to £3,947,416, which added to the interest would make £9,057,844; leaving a surplus unaccounted for of £1,898,188; with which I should conceive the commerce ought to be charged, rather than that the territory should have become liable to any charge during this period. The preceding statement, it is true, is, in some respects, a mere estimate; but neither is Mr. Melvill's claim founded on any more certain, or at least any known data, and the estimate to which he refers the Committee has never been seen out of Leadenhall-street. In my statement, the Bencoolen supplies, including, according to the 2d Report, funds for the purchase of pepper and cultivation of spices, are charged, according to the practice of the Company, entirely to the territory, as well as the charges of St. Helena; and as the stores from England and the sums paid there have been almost invariably an increasing charge from year to year, I have in all probability allowed far too much to the commerce, in supposing these amounts to have been equal to that for 1793 in each of the preceding years. The interest on the debt is also put entirely to the territory, though a considerable part of that, I think, has been shewn to be more justly chargeable to commerce.

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The Annual Revenues and Charges of BENGAL, MADRAS, BOMBAY, and BENCOOLEN, with the Annual Cost of

YEAR.	BENGAL.				MADRAS, in Pagodas, at 8s.			
	Total Revenues.	Total Charges. Civ. Mil. Mar. and Bn.	Surplus.	Surplus in Pounds Sterling.	Revenues.	Charges.	Deficit.	Deficit in Pounds Sterling.
1781-2	4,72,64,184	4,48,12,786	24,51,398	£. 245,140	24,88,604	32,43,218	7,54,614	£. 301,846
Estimate being an average of the five following years.								
1782-3	5,08,94,409	4,17,41,855	91,52,554	915,255	18,80,724	31,79,983	12,99,259	519,704
1783-4	5,25,18,059	4,30,48,595	94,69,464	946,946	27,91,269	42,55,598	14,64,329	585,731
1784-5	5,31,51,970	4,31,25,191	1,00,26,779	1,002,678	25,18,835	30,24,777	5,05,942	202,374
1785-6	4,98,91,783	4,06,56,341	92,35,442	923,544	24,20,310	27,38,746	3,18,436	127,374
1786-7	5,09,44,064	3,61,80,788	1,47,63,276	1,476,328	28,31,884	30,16,987	1,85,103	74,041
1787-8	5,20,28,527	3,14,67,718	2,05,60,809	2,056,081	30,28,216	36,67,833	6,39,617	255,847
1788-9	5,53,88,114	3,12,67,103	2,41,21,011	2,412,101	33,22,448	38,22,372	4,99,924	199,970
1789-90	5,62,06,561	3,12,01,486	2,50,05,075	2,500,508	33,72,851	43,47,537	9,74,686	389,874
1790-1	5,52,22,920	2,95,52,797	2,56,70,123	2,567,012	40,90,384	66,03,997	25,13,613	1,005,445
1791-2	4,89,12,437	3,08,02,298	1,81,10,139	1,811,014	72,16,098	84,88,203	12,72,105	508,842
Total..	57,24,23,028	40,38,56,958	16,85,66,070	16,856,607	3,59,61,623	4,63,89,251	1,04,27,628	4,171,051
1792-3	5,51,27,617	3,42,52,997	2,08,74,620	2,087,462	61,90,775	53,50,767	Surplus. 8,40,008	Surplus. 336,003
Total Surplus of Bengal in the eleven Years from 1781-2 to 1791-2 inclusive.....								£. 16,856,607
Total Deficit of Madras								£. 4,171,051
Ditto of Bombay								6,541,477
Ditto of Benccoolen								628,774
Charges of St. Helena								306,623
								11,647,925
Net Surplus of the ordinary Revenues and Charges								5,208,682
Increase of the Debt between the end of 1780 and 1792								5,747,350
								£. 10,956,032

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certain, there is invariably a column for buildings and fortifications, and I have no doubt that they are included in it. 21 July 1831.

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[The Witness delivered in an Account of the Annual Revenues, &c., and the same was read as follows:]

the Island of ST. HELENA, from the Year 1781-2 to the Year 1791-2 inclusive; also the same for the Year 1792-3.

BOMBAY, in Rupees, at 2s. 3d.				BENCOOLEN, in Dollars, at 5s.				Charges of St. Helena.
Revenues.	Charges.	Deficit.	Deficit in Pounds Sterling.	Revenues.	Charges.	Deficit.	Deficit in Pounds Sterling.	
42,26,485	70,87,608	28,61,123	£. 321,876	10,377	2,71,941	2,61,564	£. 65,391	£. 26,153*
37,79,048	73,60,528	35,81,480	402,916	10,684	2,67,412	2,56,728	64,182	26,153
14,80,342	84,44,810	69,64,468	783,502	10,672	2,78,376	2,67,704	66,926	28,196
12,33,306	46,45,765	34,12,459	383,901	10,672	2,54,235	2,43,563	60,891	25,063
11,94,183	47,71,024	35,76,841	402,395	9,000	2,91,986	2,82,986	70,746	24,261
12,04,909	88,04,489	75,99,580	854,953	10,860	2,67,694	2,56,834	64,208	25,884
11,29,976	47,18,509	35,88,533	403,710	13,212	2,00,174	1,86,962	46,740	27,359
13,52,460	55,96,689	42,44,229	477,476	15,060	2,09,623	1,94,563	48,641	28,461
14,42,505	50,88,231	36,45,726	410,144	14,331	2,23,694	2,09,363	52,341	27,390
15,03,481	95,01,789	79,98,308	899,810	21,984	1,88,230	1,66,246	41,562	33,389
16,46,350	1,23,20,072	1,06,73,722	1,200,794	16,900	2,05,485	1,88,585	47,146	34,314
2,01,93,045	7,83,39,514	5,81,46,469	6,541,477	143,752	26,58,850	25,15,098	628,774	306,623
21,02,707	65,68,899	44,66,192	502,496	19,292	2,24,977	205,685	51,421	40,529

Brought forward							£. 10,956,032
Interest estimated at							£. 5,110,428
Stores from England in 1793-4							£. 187,464
Sums paid there, &c.							171,392
Stores and Sums paid for Eleven Years							358,856 × 11 3,947,416
Surplus in the Eleven Years							£. 9,057,844
							1,898,188

* Estimate average of the seven following years.

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2906. Have you instituted a similar inquiry into the third period ; namely, from 1793 to 1814?—I have not pursued the inquiry into this period beyond the year 1808-9, as I could not, with the data to which I had access, hope to arrive at any result as to the transactions from 1809-10 to 1813-14 ; for the earlier portion of this period the labours of the Select Committee of 1811-12 had greatly facilitated the examination, though that Committee did not itself succeed in effecting its object of ascertaining the relative position of the territorial and commercial branches. Before stating the results at which I have arrived, it will be necessary to premise that, in my judgment, the account between the branches requires to be conducted on a different principle after the Act of 1793 had passed. That Act, whilst it gives increased dividends to the proprietors, excludes them from all further participation, (except in a remote contingent case,) either in the surplus territorial revenue, or in the surplus commercial profit. When therefore the commerce drew supplies from the revenue, beyond what was returned within the year from their commercial funds, interest was justly chargeable, as the money might have been applied in reduction of debt and of interest. There was the greater propriety in this, as the supplies to commerce have been frequently provided by loans made in the name of the territory, for which I refer to the Second Report, p. 65, and to the Third Report, p. 359, from which, with the permission of the Committee, I will read extracts. From the Second Report, p. 65 : “ the sources from which funds have been derived from year to year, for the supply of the combined operations of government and commerce, were the revenues of the territories, and supplies from Europe, either in bullion or exports, or by bills upon the Court. When the aggregate amount of these several heads has not been sufficient to defray the expenses of government, to provide investments, and to remit supplies to China, money has been raised upon loan.” And the Third Report, at p. 359, states, “ from these accounts it is to be deduced that when a surplus revenue existed in India, it was, in conformity with the principles laid down in the Act of 1793, applied to advances for the purchase of investments, for consignments to Europe, or for the supply of the Canton treasury ; and when, combined with funds available in India from supplies from Europe, it was found insufficient for these purposes, the difference was furnished by monies raised on loan in India. In whatever amount therefore the capital of the Company in England was not sufficient for carrying on the trade, and for the conduct of the concern generally, the deficiency was supplied by monies raised in India. The impracticability of distinguishing what part of these monies was applied to commercial, and what part to political purposes, having already been stated, the object of these additional remarks is merely intended as a further demonstration of the strict connection of the political and commercial affairs at home as well as abroad, and as a proof of the correctness of the position, that till it shall be clearly ascertained that these supplies from the home treasury to India and China were derived from sources purely commercial, the question of a distinct view of the proportion of the
Indian

Indian debt which is to be termed political or commercial must remain undecided, whatever may have been the amount of those supplies." It is also fairly to be inferred, from the language of the Third Report, that the propriety of an interest account was seen by the Select Committee, though it is not so stated in express words. The Report states the balance of supplies to be in favour of commerce, yet it speaks of a part of the debt contracted during the period, being, with the interest on it, a commercial debt, considering that when money was borrowed for the use of commerce, or to replace what had been taken from the revenues for the use of commerce, commerce was directly liable for the loan and the interest on it. On the other hand, I have considered the territory to be the only ostensible party in India, and as standing between the lender and commerce, liable to the lender for the principal and interest, but having a counter claim on commerce *pro tanto*.

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2907. Do you make that observation on the part of Mr. Melvill's evidence, in answer to question 5671, wherein he states, that on reference to the Third Report of the Select Committee on East-India Affairs in 1812, it will be observed that the Committee experienced considerable difficulty in their attempt to ascertain the relative situation of the territorial and commercial branches; they however came to the conclusion, that the balance since 1793 had been in favour of the commercial branch. Are these observations you have made in reference to that part of Mr. Melvill's evidence?—Not entirely; they are with reference to the necessity of an interest account between the branches.

2908. How does the credit thus given to the commercial branch in Mr. Melvill's reference to the Third Report, accord with your understanding of the general tenor of that Report?—The balance of supplies in favour of commerce, given at the close of the Third Report, does not differ materially from that which appears in the Account I have prepared. But the general tenor of the Third Report cannot be collected from the statement of that balance, without also comparing with it various passages, in which the interest, being uniformly brought forward in the accounts from year to year as a direct demand upon the revenues of India, is commented on; as in the Second Report, at page 60, where they say, "it is, however, to be remarked, that other demands, which have fallen on the revenues of India, remain to be examined, before it will be practicable to pursue the investigation of the final results. These demands are described in the columns of the statement as supplies to Bencoolen, Penang, &c. and the interest on the debts. These several articles cannot, in either case, be considered as either wholly of a political or of a commercial description, although they have uniformly been brought forward in the accounts from year to year as a direct demand upon the revenues of India, and have very materially affected the general result of the same."

2909. Are

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2909. Are there any sums paid in England supposed chargeable to the territory during that period, which you conceive to be improperly so charged?—I conceive there are. In the Act of 1793, the 5th clause says in express terms, that the expense of the Board of Commissioners shall be deemed and taken to be a commercial charge; it is however introduced into political charges in the Appendix 46 to the Third Report, and placed against the territory. When Mr. Cartwright, the accountant-general, was called on to explain what items that head consisted of, the very first item he named was the expense of the Board of Commissioners for the Affairs of India, though the Act of Parliament had expressly said that it was to be deemed and taken to be a commercial charge; the amount of that charge was not allowed to exceed £16,000. Upon the supposition that it had always attained that sum, the amount for the seventeen years to which the inquiry of the Select Committee extended, with the accumulated interest upon it, would have amounted to above £600,000; there were other items under that head which had also very little to do with the territory, such as the East-India Company's volunteers, the expense of which for one year was, I believe, £28,000. There are several other items, but I do not understand the nature of them; as the expense of the Company's stud; whether that is territorial or commercial I do not know, but the Select Committee, after stating the balance of supplies, named several other items which require further adjustment; and amongst others, they say of the sums paid in England supposed chargeable to the territory, "some of these appear to have been correctly so charged;" leaving it to be inferred, I suppose, that some were not so.

2910. You have assigned reasons, in reply to a former question, that an interest account should be drawn up between the two branches, after the Act of 1793 had passed; have you in the course of your inquiry drawn up such an account, and if so, will you state what result you come to?—I have prepared such an account; but I must repeat what I said before, that the data from which it has had to be framed are not of a character to allow of its being effected with a precision and minuteness usual in commercial accounts; it is but an approximation, but I am persuaded that when rigidly and fairly examined, it will be found to be a near approximation, and leaning rather to favour commerce than territory, with the view to obviate cavil. At the close of 1808-9, I made a balance of interest due from commerce to territory of £5,175,490; the balance of supplies in favour of commerce I make £1,638,135, which is rather more than it is stated at in the Third Report; the difference of 13,537,355 is the absolute balance against commerce, but still subject to several adjustments, which the Third Report has enumerated as necessary to be made, though it has left it to others to make these adjustments. These adjustments are such as would most of them tend to increase the balance against commerce, such as a charge of 10 per cent. on goods and stores consigned, sums paid in England supposed chargeable to territory,

territory, charges of Bencoolen, Prince of Wales' Island, &c. ; to which may be added, the charges of St. Helena, placed by the Third Report amongst the doubtful items, whether commercial or partly political.

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2911. Have you the Account to which you have just referred?—I have.

[The witness delivered in the Accounts No. 1 and No 2, and the same were read as follow :]

PARTICULARS

No. 1.—PARTICULARS of the ORDINARY and EXTRAORDINARY RECEIPTS of the INDIAN TREASURIES, for also, the Sums for which the Territory has to be Credited or

YEAR.	1. Revenues of India. Appendix 2 to Second Report, Appendix 11 to Third Report.	2. Charges of India, (exclusive of Commercial Charges.) Appendix 2 to Second Report, Appendix 11 to Third Report.	3. Supplies to Bencoolen, &c. Appendix 2 to Second Report, Appendix 11 to Third Report.	4. Interest paid on the Debt. Appendix 2 to Second Report, Appendix 11 to Third Report.	5. Debt at Interest 30th April in each Year, with the Increase or Decrease. Appendix 7 to Second Report, Appendix 2 to Third Report.	6. Floating Debt, with the Increase or Decrease. Appendix 7 to Second Report, Appendix 2 to Third Report.	7. Cash and Bills on hand with the Increase or Decrease. Appendix 9 to Third Report; Papers. 9 Feb. 1830.
	£.	£.	£.	£.	£.	£.	£.
1792-3 ..	8,225,628	6,304,607	66,217	636,226	7,129,934 d. 936,954	2,012,786 d. 234,101	1,804,292 i. 7,250
1793-4 ..	8,276,770	6,066,924	40,822	526,205	6,192,980 d. 654,092	1,778,685 d. 12,316	1,811,552 i. 125,052
1794-5 ..	8,026,193	6,083,507	62,080	484,301	5,538,888 d. 203,846	1,766,369 d. 302,479	1,936,604 i. 122,124
1795-6 ..	7,866,094	6,474,247	104,154	414,750	5,335,042 i. 263,558	1,463,890 i. 68,392	2,058,728 d. 295,383
1796-7 ..	8,016,171	7,081,191	101,190	426,847	5,603,600 i. 1,748,423	1,532,282 i. 258,428	1,763,345 d. 312,227
1797-8 ..	8,059,880	7,411,401	163,299	603,926	7,352,023 i. 1,437,183	1,790,710 i. 299,607	1,451,118 d. 166,403
1798-9 ..	8,652,033	8,417,813	120,668	721,550	8,789,211 i. 1,069,889	2,077,377 i. 656,889	1,284,715 i. 40,823
1799-1800	9,736,672	8,998,154	171,363	957,236	9,850,100 i. 1,052,149	2,734,266 d. 437,379	1,325,538 i. 723,561
1800-1 ..	10,485,059	10,405,501	156,325	1,062,684	11,702,249 i. 2,471,090	2,296,887 i. 139,417	2,049,099 i. 92,290
1801-2 ..	12,163,589	11,023,452	241,220	1,386,593	14,174,139 i. 1,413,621	2,436,304 i. 379,816	2,141,359 i. 508,980
1802-3 ..	13,464,537	10,965,427	196,848	1,361,453	15,587,760 i. 1,123,466	2,816,120 i. 44,907	2,650,319 i. 403,675
1803-4 ..	13,271,385	13,001,083	304,056	1,394,322	16,711,226 i. 1,983,436	2,861,027 i. 563,793	3,053,994 d. 13,692
1804-5 ..	14,949,395	14,548,433	372,163	1,566,750	18,696,662 i. 2,581,644	3,424,820 i. 923,505	3,040,302 i. 224,543
1805-6 ..	15,403,409	15,561,328	250,599	1,860,090	21,278,306 i. 3,153,684	4,348,325 i. 278,276	3,264,845 i. 1,104,532
1806-7 ..	14,535,739	15,283,908	179,197	2,224,956	24,431,990 i. 1,923,689	4,070,049 i. 181,387	4,369,377 i. 73,850
1807-8 ..	15,701,086	13,635,256	121,725	2,145,844	26,355,679 i. 1,556,441	3,888,662 i. 207,037	4,443,227 i. 2,245,546
1808-9 ..	15,546,948	13,284,169	176,707	2,309,836	27,912,120 d. 322,289	4,095,699 d. 373,099	6,688,773 i. 680,103
1809 ..	—	—	—	—	27,089,831	3,722,610	7,368,936 * i. 717,561

* Treasure consigned from Bengal to Madras, excluded from Bengal Quick Stock, and

† The corrected Expenses of St. Helena, as per Appendix 51 to 4th Report of 1812, This sum is therefore added here to Stores

SELECT COMMITTEE OF THE HOUSE OF COMMONS. 403

each Year from 1792-3 to 1808-9, with the Application thereof as far as the Territory of India is concerned ; Debited by the Home Treasury in the corresponding Years.

8.	9.	10.	11.	12.	13.	14.	15.
Loss, &c. Appendix 22. Losses, &c. Appendix 23. Increase of Dead Stock ; Appendix 25 to Third Report.	Claims on Government, admitted and not admitted. Appendix 17 to Third Report, and p. 365 of Third Report.	Payments to the Creditors of the Nabob of Arcot, Appendix 18 ; and of Rajah of Tanjore, Appendix 19, and p. 365 of Third Report.	Bonds to the Creditors of the Rajah of Tanjore and of the Nabob of Arcot. Appendix 22 to Fourth Report.	Stores Exported to the Presidencies, Bencoolen and St. Helena, Appendix 35 to Fourth Report.	Sums paid in England, supposed chargeable to the Territory. Appendix 46 to Third Report.	On Cinsurah Cause, Received and Paid. Appendix 22 and 41 to Fourth Report.	Liquidation by Government of Claims for Advances. Appendix 4 to First Report, Appendix 17 to Third Report.
£.	£.	£.	£.	£.	£.	£.	£.
90,285	—	—	—	202,929	171,392	—	—
90,285	—	—	—	187,464	171,392	Paid. 567	—
90,285	—	—	—	171,928	163,399	—	—
90,285	36,395	64,044	—	253,560	199,128	Paid. 120,098	—
90,285	132,994	1,058,953	42,820	230,417	375,097	Received. 59,143	—
90,285	171,365	—	89,045	263,296	203,784	—	—
90,285	162,697	—	83,732	298,599	300,736	—	200,000
90,285	144,997	—	9,459	500,996	273,817	—	200,000
90,285	123,394	—	—	398,033 † 56,337	307,635	—	—
90,285	481,113	—	—	401,166	482,730	—	—
90,285	92,260	—	—	401,168	393,207	—	—
90,284	105,817	—	—	295,531	435,224	—	1,000,000
90,283	101,731	—	—	349,495	485,604	—	—
90,283	84,231	—	—	553,041	575,795	—	1,000,000
90,282	24,351	—	—	637,148	492,083	—	1,000,000
90,282	—	—	—	435,183	505,797	—	—
92,282	—	—	7,138	396,674	550,766	—	1,096,928 no date. 289,076

not included at Madras. Appendix 24 to Third Report.

exceed by this amount the Stores exported to St. Helena, as per Appendix 35 to the same Report.
Exported in the mid-year of that period.

No. 1.—Particulars of the Ordinary and Extraordinary

Particulars of Column 8.—Doubtful

	1792-3.	1793-4.	1794-5.	1795-6.	1796-7.	1797-8.
	£.	£.	£.	£.	£.	£.
Loss arising from remittances and consignments from port to port in India, from 1792-3 to 1808-9 inclusive, £873,403. Appendix 22 to Third Report. Average of 17 years.. ..	51,377	51,377	51,377	51,377	51,377	51,377
Sums written off as losses at the several Presi- dencies, from 1792-3 to 1808-9 inclusive, not inserted in the charges, £461,428. Appendix 23 to Third Report. Average of 17 years ..	27,143	27,143	27,143	27,143	27,143	27,143
Increase of dead stock in India between 1792-3 and 1808-9, supposed to have been purchased in India, and not included in the charges, £200,000. Appendix 25 to Third Report. Average of 17 years	11,765	11,765	11,765	11,765	11,765	11,765
£	90,285	90,285	90,285	90,285	90,285	90,285

Receipts of the Indian Treasuries, &c.—*continued*.

whether Commercial or partly Territorial.

1798-9.	1799-800.	1800-1.	1801-2.	1802-3.	1803-4.	1804-5.	1805-6.	1806-7.	1807-8.	1808-9.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
51,377	51,377	51,377	51,377	51,377	51,376	51,376	51,37	51,376	51,376	51,376
27,143	27,143	27,143	27,143	27,143	27,143	27,143	27,143	27,143	27,142	27,142
11,765	11,765	11,765	11,765	11,765	11,765	11,764	11,764	11,764	11,764	11,764
90,285	90,285	90,285	90,285	90,285	90,284	90,283	90,283	90,282	90,282	90,282

No. 1.—Particulars of the Extraordinary

Particulars of Column 9.—Advances on Account of Government

		1795-6.	1796-7.	1797-8.
		£.	£.	£.
Such part of the claims of the East-India Company on the public, on account of advances and supplies in India, as were admitted by the Select Committee, but which had not been included in the charges and interest. See Appendix 17 to the Third Report, and Appendix 4 to the First Report	Cape of Good Hope	93	—	8,768
	Vessels and stores for King's ships	—	—	23,603
	Ceylon charges; admitted in full	20,784	—	—
	Ceylon charges; part admitted; on an average of six years	—	58,738	58,738
	Eastern Islands; part admitted; on an average of 11 years	7,759	7,759	7,759
	Trinidad	—	—	—
That part of the claims on the public for advances in India which were not admitted by the Select Committee, and which had not been included in the charges and interest. See p. 365 of Third Report, and Appendix 17	Ceylon Charges; the half not admitted; on an average of six years .	—	58,738	58,738
	Eastern Islands; the half not admitted; on an average of 11 years..	7,759	7,759	7,759
£		36,395	132,994	171,365

Receipts of the Indian Treasuries, &c.—*continued*.

of which part admitted and part not admitted; not included in Charges.

1798-9.	1799-800.	1800-1.	1801-2.	1802-3.	1803-4.	1804-5.	1805 6.	1806-7.
£.	£.	£.	£.	£.	£.	£.	£.	£.
—	—	1,990	18,423	357	—	—	10,972	—
29,703	*12,003	†11,590	25,154	5,703	21,472	30,381	20,749	—
—	—	—	305,544	70,682	68,827	55,834	13,594	24,351
58,738	58,738	58,738	58,737	—	—	—	—	—
7,759	7,759	7,759	7,759	7,759	7,759	7,758	7,758	—
—	—	—	—	—	—	—	23,400	—
58,738	58,738	58,738	58,737	—	—	—	—	—
7,759	7,759	7,759	7,759	7,759	7,759	7,758	7,758	—
		134,984						
		11,590						
162,697	144,997	123,394	481,113	92,260	105,817	101,731	84,231	24,351

* In 1799-800, the amount of supplies to vessels, &c. was £18,811; but bills were given for £6,808, leaving the claim only £12,003.

† In 1800-1, bills were given in favour of the Court to £24,790, and the amount of supplies for vessels, &c., was only £19,200; the difference therefore of £11,590 is to be deducted from the other advances in India of the year in question.

No. 2.—STATEMENT of the ORDINARY and EXTRAORDINARY RECEIPTS of the INDIAN TREASURIES for each year, from 1792-3 to 1808-9, with the Application thereof as far as the Territory of India appears concerned ; also the Sums for which the Territory had to be credited or debited by the Home Treasury in the corresponding years, with the Balance at the Credit or Debit of Commerce in India in each year, and with the Interest thereon from year to year.

	£.		£.		£.
Total revenues 1792-3	8,225,628	Total charges of 1792-3 ..	6,304,607	Balance to credit of	
Balance to credit of		Supplies to Bencoolen, &c. ..	66,217	commerce at the	
commerce .. }	424,343	Interest on debt paid ..	636,226	close of 1792-3. }	424,343
		Decrease of debt at interest ..	936,954		
		Ditto of floating debt ..	234,101		
		Increase of cash and bills on hand	7,260		
		Loss on remittances and consign-			
		ments from port to port ..	51,377		
		Losses written off at the several			
		Presidencies	27,143		
		Increase of dead stock, supposed			
		bought in India	11,765		
		Stores exported to the Presiden-			
		cies and St. Helena	202,929		
		Sums paid in England, supposed			
		chargeable to territory.			
		N.B. 1793-4	171,392		
£	8,649,971	£	8,649,971		
Total Revenues 1793-4	8,276,770	Total charges of 1793-4 ..	6,066,924	Interest at 8 · 17 per }	
		Supplies to Bencoolen	40,822	cent. .. }	34,669
		Interest on debt	526,205		
		Decrease of debt and at interest	654,092	Commerce Cr. ..	459,012
		Ditto of floating Debt ..	12,316		
		Increase of cash and bills on hand	125,052		
		Loss, losses and increase of dead			
		stock	90,285		
		Stores exported to the Presiden-			
		cies and St. Helena	187,464		
		Sums paid in England, supposed			
		chargeable to territory ..	171,392		
		On Chinsurah cause	567	Balance to debit of }	
		Balance to debit of commerce..	401,651	commerce .. }	401,651
£	8,276,770	£	8,276,770	Commerce Cr. at the }	
				close of 1793-4. }	57,361

(continued..)

No. 2.—Statement of Receipts and Charges of the Indian Territory, &c.—*continued.*

	£.		£.		£.
Total revenues 1794-5	8,026,193	Total Charges of 1794-5 ..	6,083,507	Commerce Cr. at the close of 1793-4 }	57,361
		Supplies to Bencoolen ..	62,080	Interest at 7·87 per cent. .. }	4,514
		Interest on debt ..	484,301		
		Decrease of debt at interest ..	203,846	Commerce Cr. ..	61,875
		Ditto of floating debt ..	302,479		
		Increase of cash and bills on hand	122,124		
		Loss, losses and increase of dead stock ..	90,285		
		Stores exported ..	171,928		
		Sums paid in England ..	163,399	Balance to debit of commerce .. }	342,244
		Balance to debit of commerce ..	342,244		
	£ 8,026,193		£ 8,026,193	Commerce Cr. at the close of 1794-5 }	280,369
Total revenues 1795-6	7,866,094	Total charges of 1795-6 ..	6,474,247	Interest at 7·47 per cent. .. }	20,943
Increase of debt at interest .. }	268,558	Supplies to Bencoolen ..	104,154		
Ditto of floating debt ..	68,392	Interest on debt ..	414,750		
Decrease of cash and bills on hand .. }	295,383	Loss, losses and increase of dead stock ..	90,285		
		Advances on account of Ceylon, &c. claim on Government ..	28,636		
		Ditto .. ditto .. claim not admitted ..	7,759		
		Payment to creditors of the Rajah of Tanjore ..	64,044	Balance to debit of commerce .. }	741,766
		Stores exported ..	253,560		
		Sums paid in England ..	199,128	Commerce Dr. at the close of 1795-6 }	1,043,078
		On Chinsurah cause ..	120,098		
		Balance to debit of commerce ..	741,766		
	£ 8,498,427		£ 8,498,427		
Total revenues 1796-7	8,016,171	Total Charges, 1796-7 ..	7,081,191	Interest at 7·53 per cent. .. }	78,544
Increase of debt at interest .. }	1,784,423	Supplies to Bencoolen ..	101,190		
Ditto of floating debt ..	258,428	Interest on debt ..	426,847		
Decrease of Cash and bills on hand .. }	312,227	Loss, losses and increase of dead stock ..	90,285		
Received on Chinsurah cause .. }	59,143	Advances on account of Ceylon, &c. ..	132,994		
		Payment to the creditors of the Nabob of Arcot ..	1,058,953		
		Bonds to the creditors of the Rajah of Tanjore ..	42,820	Balance to debit of commerce .. }	854,598
		Stores exported ..	230,417		
		Sums paid in England ..	375,097	Commerce Dr. at the close of 1796-7. }	1,976,220
		Balance to debit of commerce ..	854,598		
	£ 10,394,392		£ 10,394,392		

No. 2.—Statement of Receipts and Charges of the Indian Territory, &c.—*continued.*

	£.		£.		£.
Total revenues 1797-8	8,059,880	Total charges, 1797-8 ..	7,411,401	Commerce Dr. at the	
Increase of debt at interest ..	1,437,188	Supplies to Bencoolen ..	163,299	close of 1796-7 ..	1,976,220
Ditto of floating debt	286,667	Interest on debt ..	603,926	Interest at 7·72 per cent. ..	152,564
Decrease of cash and bills on hand ..	166,403	Loss, losses and increase of dead stock ..	90,285		
		Advances on account of Ceylon, &c. ..	171,365		
		Bonds to the creditors of the Rajah of Tanjore ..	89,045	Balance to debit of commerce ..	953,737
		Stores exported ..	263,296		
		Sums paid in England ..	203,784	Commerce Dr. at the	
		Balance to debit of commerce ..	953,737	close of 1797-8 ..	3,082,521
£ 9,950,138		£ 9,950,138			
Total revenues 1798-9	8,652,033	Total charges of 1798-9 ..	8,417,813	Interest at 8·49 per cent. ..	261,706
Increase of debt ..	1,060,889	Supplies to Bencoolen ..	120,668		
Ditto of floating debt	656,889	Interest on debt ..	721,550		
Payment from Government on account of advances ..	200,000	Increase of cash and bills on hand	40,823	Balance to debit of commerce ..	332,908
		Loss, losses and increase of dead stock ..	90,285		
		Advances on account of Government ..	162,697	Commerce Dr. at the	
		Bonds to the creditors of the Rajah of Tanjore ..	83,732	close of 1798-9 ..	3,677,135
		Stores exported ..	298,599		
		Sums paid in England ..	300,736		
		Balance to debit of commerce	332,908		
£ 10,569,811		£ 10,569,811			
Total revenues 1799-1800 ..	9,736,672	Total charges of 1799-1800 ..	8,998,154	Interest at 9·00 per cent. ..	330,942
Increase of debt ..	1,852,149	Supplies to Bencoolen ..	171,363	Commerce Dr. ..	4,008,077
Payment from Government on account ..	200,000	Interest on debt ..	957,236	Balance to credit of commerce ..	518,426
Balance to credit of commerce ..	518,426	Decrease of floating debt ..	437,379		
		Increase of cash and bills on hand	723,561		
		Loss, losses and increase of dead stock ..	90,285		
		Advances on account of Government ..	144,997		
		Bonds to the creditors of the Rajah of Tanjore ..	9,459	Commerce Dr. at the	
		Stores exported ..	500,996	close of 1799-1800 ..	3,489,651
		Sums paid in England ..	273,817		
£ 12,307,247		£ 12,307,247			

(continued..)

No. 2.—Statement of Receipts and Charges of the Indian Territory, &c.—*continued.*

	£.		£.		£.
Total revenues 1800-1	10,485,059	Total charges of 1800-1 ..	10,405,501	Commerce Dr. at the	
Increase of debt ..	2,471,890	Supplies to Bencoolen ..	156,325	close of 1799-1800 }	348,965
Ditto of floating debt	139,417	Interest on debt ..	1,062,684	Interest at 8·80 per	
		Increase of cash and bills on hand	92,260	cent. .. }	309,183
		Loss, losses and increase of dead			
		stock	90,285		
		Advances on account of Govern-			
		ment	123,394		
		Stores exported	398,033		
		Complement of expenses of St.			
		Helena	56,537		
		Sums paid in England ..	307,635	Balance to debit of }	
		Balance to debit of commerce	403,712	commerce .. }	103,712
	£ 13,096,366		£ 13,096,366	Commerce Dr. at the	
				close of 1800-1. }	4,202,546
Total revenues 1801-2	12,163,589	Total charges of 1801-2 ..	11,023,452	Interest at 8·98 per }	
Increase of debt ..	1,413,621	Supplies to Bencoolen ..	241,220	cent. .. }	377,388
Ditto of floating debt	379,816	Interest on debt ..	1,386,593	Commerce Dr. ..	4,579,934
Balance to the credit }	658,493	Increase of cash and bills on hand	508,960	Balance to credit of }	658,493
of commerce .. }		Loss, losses and increase of dead			
		stock	90,285		
		Advances on account of Govern-			
		ment	481,113		
		Stores exported	401,166		
		Sums paid in England ..	482,730		
	£ 14,615,519		£ 14,615,519	Commerce Dr. at the	
				close of 1801-2. }	3,921,441
Total revenues 1802-3	13,464,537	Total charges of 1802-3 ..	10,965,427	Interest at 8·78 per }	
Increase of debt ..	1,123,466	Supplies to Bencoolen ..	196,848	cent. .. }	344,302
Ditto of floating debt	44,907	Interest on debt ..	1,361,453		
		Increase of cash and bills on hand	403,675		
		Loss, losses and increase of dead			
		stock	90,285		
		Advances on account of Govern-			
		ment	92,260		
		Stores exported	401,168		
		Sums paid in England ..	393,207	Balance to debit of }	
		Balance to debit of commerce	728,587	commerce .. }	728,587
	£ 14,632,910		£ 14,632,910	Commerce Dr. at the	
				close of 1802-3. }	4,994,330

No. 2.—Statement of Receipts and Charges of the Indian Territory, &c.—*continued*.

	£.		£.		£.
Total revenues 1803-4	13,271,385	Total charges of 1803-4 ..	13,001,083	Commerce Dr. at the } close of 1802-3. }	4,994,330
Increase of debt ..	1,985,436	Supplies to Bencoolen ..	304,056	Interest at 8·50 per } cent. }	424,518
Ditto of floating debt	563,793	Interest on debt ..	1,394,322		
Decrease of cash and } bills on hand .. }	13,692	Loss, losses and increase of dead } stock }	90,284		
Payment by Govern- } ment on account. . }	1,000,000	Advances on account of Govern- } ment }	105,817		
		Stores exported ..	295,531	Balance to debit of } commerce .. }	1,207,989
		Sums paid in England ..	435,224	Commerce Dr. at the } close of 1803-4 }	6,626,837
		Balance to debit of commerce	1,207,989		
£	16,834,306	£	16,834,306		
Total revenues 1804-5	14,949,395	Total charges of 1804-5 ..	14,548,433	Interest at 8·34 per } cent. }	552,678
Increase of debt ..	2,581,644	Supplies to Bencoolen ..	372,163		
Ditto of floating debt	923,505	Interest on debt ..	1,566,750		
		Increase of cash and bills on hand	224,543		
		Loss, losses and increase of dead } stock }	90,283		
		Advances on account of Govern- } ment }	101,731	Balance to debit of } commerce .. }	715,542
		Stores exported. .	349,495	Commerce Dr. at the } close of 1804-5. }	7,895,057
		Sums paid in England ..	485,604		
		Balance to debit of commerce ..	715,542		
£	18,454,544	£	18,454,544		
Total revenues 1805-6	15,403,409	Total charges of 1805-6 ..	15,561,328	Interest at 8·41 per } cent. }	663,974
Increase of debt ..	3,153,684	Supplies to Bencoolen ..	250,599		
Payment by Govern- } ment on account. . }	1,000,000	Interest on debt ..	1,860,090	Commerce Dr. ..	8,559,031
Balance to credit of } commerce }	801,082	Decrease of floating debt ..	278,276	Balance to credit of } commerce. .. }	801,082
		Increase of cash and bills on hand	1,104,532		
		Loss, losses and increase of dead } stock }	90,283		
		Advances on account of Govern- } ment }	84,231		
		Stores exported ..	553,041	Commerce Dr. at the } close of 1805-6 }	7,757,949
		Sums paid in England ..	575,795		
£	20,358,175	£	20,358,175		

No. 2.—Statement of Receipts and Charges of the Indian Territory, &c.—*continued.*

	£.		£.		£.
Total revenues 1806-7	14,535,739	Total charges of 1806-7	15,283,908	Commerce Dr. at the	
Increase of debt ..	1,923,689	Supplies to Bencoolen ..	179,197	close of 1805-6 }	7,757,949
Payment by Govern- } ment on account	1,000,000	Interest on debt ..	2,224,956	Interest at 8·69 per }	674,166
Balance to credit of } commerce .. }	1,727,734	Decrease of floating debt ..	181,387	cent. .. }	
		Increase of cash and bills on hand	73,850	Commerce Dr. ..	8,432,115
		Loss, losses and increase of dead			
		stock	90,282	Balance to credit of }	1,727,734
		Advances on account of Govern- ment	24,351	commerce .. }	
		Stores exported	637,148		
		Sums paid in England ..	492,083	Commerce Dr. at the }	6,704,381
£	19,187,162		£	close of 1806-7 }	
Total revenues 1807-8	15,701,086	Total charges of 1807-8	13,635,256	Interest at 8·45 per }	566,520
Increase of debt ..	1,556,441	Supplies to Bencoolen ..	121,725	cent. .. }	
Ditto of floating debt	207,037	Interest on debt ..	2,145,844	Commerce Dr. ..	7,270,901
Balance to credit of } commerce .. }	1,715,069	Increase of cash and bills on hand	2,245,546	Balance to credit of }	1,715,069
		Loss, losses and increase of dead		commerce .. }	
		stock	90,282		
		Stores exported	435,183	Commerce Dr. at the }	5,555,832
		Sums paid in England ..	505,797	close of 1807-8 }	
£	19,179,633		£		
Total revenues 1808-9	15,546,948	Total charges of 1808-9	13,284,169	Interest at 8·23 per }	457,245
Payment by Govern- } ment in final settle- ment of claims up to 1st March 1808 .. }	1,096,928	Supplies to Bencoolen ..	176,707	cent. .. }	
Balance to credit of } commerce .. }	2,764,798	Interest on debt ..	2,309,836	Commerce Dr. ..	6,013,077
		Decrease of debt ..	822,289		
		Ditto of floating debt ..	373,089	Balance to credit of }	2,764,798
		Increase of cash and bills		commerce .. }	
		on hand	680,163		
		Treasure on passage ..		Commerce Dr. at the }	3,248,279
		from Bengal to Madras	717,561	close of 1808-9 }	
			1,397,724		
		Loss, losses and increase of dead			
		stock	90,282		
		Bonds to the creditors of the Na- bob of Arcot	7,138		
		Stores exported	396,674		
		Sums paid in England ..	550,766		
£	19,408,674		£		
Add, amount of political freight and demurrage repaid by Government, the dates of repayment					
not given. (See App. 46, to Third Report.)					289,076
Balance at the Debit of Commerce at the close of 1808-9, subject to divers Adjustments ..					£ 3,537,355
£.	to the Debit of Territory.		ADJUSTMENTS.		to the Credit of Territory.
..
..
..

(continued..)

No. 2.—Statement of Receipts and Charges of the Indian Territory, &c.—*continued.*

Interest in favour of and against Commerce.			Balances for and against Commerce.			Increase and Decrease of the Home Bond Debt.		
£.	From the close of 1792-3 to	£.	£.	At the close of	£.	Decrease. £.	From 1 Mar. 1793 to 1794	Increase. £.
—	1793-4	—	424,343	1792-3	—	1,057,850	1795	—
34,669	1794-5	—	—	1793-4	401,651	134,600	1796	—
4,514	1795-6	20,943	—	1794-5	342,244	508,225	1797	—
—	1796-7	78,544	—	1795-6	741,766	152,500	1797	—
—	1797-8	152,564	—	1796-7	854,598	—	1798	459,938
—	1798-9	261,706	—	1797-8	953,737	491,026	1799	—
—	1799-1800	330,942	518,426	1798-9	332,908	—	1800	199,975
—	1800-1	309,183	—	1799-1800	—	37,600	1801	—
—	1801-2	377,388	658,493	1800-1	403,712	32,000	1802	—
—	1802-3	344,302	—	1801-2	—	—	1803	287,288
—	1803-4	424,518	—	1802-3	728,587	—	1804	95,650
—	1804-5	552,678	—	1803-4	1,207,989	—	1805	567,525
—	1805-6	663,974	801,082	1804-5	715,542	—	1806	185,800
—	1806-7	674,166	1,727,734	1805-6	—	—	1807	300,400
—	1807-8	566,520	1,715,069	1806-7	—	—	1808	1,322,500
—	1808-9	457,245	2,764,798	1807-8	—	—	1809	649,200
—				1808-9	—	—	1810	45,525
5,175,490	Balance of interest.	5,214,673	8,609,945	* Balance of Supplies }	1,927,211	1,700,000	Increase	
5,214,673					8,609,945	4,113,801		4,113,801
Balance of Interest at the Debit of Commerce					5,175,490	Lowest Amount of the Debt 1799 .. . }		1,315,737
Balance of Supplies at the Credit of Commerce					1,927,211	Highest Amount of the Debt 1810 .. . }		4,900,000
Balance of the Statement at the Debit of Commerce				£	3,248,279	Increase from 1799 to 1810 .. . }	£	3,584,263
* Balance of supplies in favour of commerce							£.	1,927,211
From which has to be deducted the sums received from Government for political freight and demurrage, which have not been brought into the Account, as the dates of re-payment were not given								289,076
Actual Balance of Supplies							£	1,638,135

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2912. On what principle have you made out this interest account, presuming that all the principal items are taken from the official documents to which reference is here made?—It might perhaps have appeared more correct to have taken the sums chargeable to commerce from those Numbers of the Appendixes in which the sums advanced for investment are given; but upon attempting a comparison of those sums in the several Appendixes in which they are given, with the sums which appear to have remained over in the territorial treasury, I have never been able to make the least correspondence appear between them; I have therefore pursued this plan: I have taken the whole of the territorial receipts, whether in England or in India, in each year; and on the other hand, I have taken all the territorial outgoings or applications of those revenues; and the balance, where the outgoings appeared greater, I have assumed must have been supplied from the commercial funds; the balance has in that case been placed to the credit of commerce, and interest allowed to commerce on it; if there appeared on the other hand, to be a greater amount of receipts than there were of territorial outgoings and applications, the difference I have assumed to be the balance which has been paid over to commerce in India. There are, of course, many receipts and payments between the two branches in India, and this balance I consider to have been the balance of those transactions, and interest has been allowed to territory upon those balances.

2913. Then you considered the receipts and payments in Europe and in India as one general account, and, having struck a general balance, you have charged, from the closing of the account, interest on the amount of such balance, according as territory or commerce appear to have received the surplus?—Exactly so.

2914. The balance of the statement to debit of commerce appears by this account to be £3,248,279; is that to be taken as the accurate balance?—There is to be added to it the sum of £289,076, received from government, but to which no date of receipt having been affixed, I could not introduce it into the interest account, but I left it to be added to the balance, with such interest upon it as may appear when the date is obtained from those competent to give it.

2915. In your calculations for the period between 1765 and 1779, do you derive them from the facts which are found in the Reports of the Committees in 1783, or from papers which were laid at that time before Parliament?—I have examined the account from 1771 to 1779, from the accounts published in the reports of the Committee of Secrecy contained in the eighth volume of those Reports. The account for the earlier period I have taken, out of the other publication I mentioned, the Compendium, which professes to give those accounts as ordered by the Committee of Secrecy, and laid before it.

2916. Are the papers laid before the Committee of Secrecy printed by order of Parliament?—They are printed in the fourth and eighth volume of those Reports.

Martis,

Martis, 26^o die Julii 1831.

SIR JAMES MACDONALD, BART. in the Chair.

THOMAS LANGTON, Esq. called in, and examined.

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2917. IN your former examination you stated that the Third Report of 1811 had enumerated several adjustments which were required to be made in an account between the two branches of the East-India affairs, before a distinct view could be obtained of the relative situation of the two branches : you instanced the supplies to Bencoolen, and added that the charges of St. Helena were in the same predicament, being placed in the Fourth Report, among the doubtful items. Can you now inform the Committee on what grounds the whole of these charges have been treated as territorial charges since 1765 ?—It is stated in the Fourth Report, at p. 422, that the proprietary possession of St. Helena has, from a distant period, been vested in the East-India Company, as a port of refreshment for their ships engaged in the India trade, on their homeward-bound voyage. I am unable to say why the whole expense of the island has been thrown on the territory of India, from 1765 to the present time ; as I presume the Company's commercial marine have always continued and still continue to avail themselves of the island for the same purposes for which it was originally ceded to the Company.

2918. That is the conclusion you draw from the Report ?—Yes.

2919. Are you able to state what appeared to be the grounds on which the Third Report considers the supplies to Bencoolen to require adjustment, as regarded the charges either political or commercial ?—As the shortest answer I can give, I beg leave to read a passage from the Second Report of the Select Committee of 1810, p. 60 : “ It has been remarked that this head of charge (Supplies to Bencoolen, Penang, &c.) may be considered as neither wholly political nor wholly commercial. This remark is in part justified by the charge itself, as in some years the advances to Bencoolen far exceeded the demands for the direct expenses of the residency, and must in such cases have been applied to the purchase of pepper, which is the principal article of the trade of the island, and is supposed to be the ground, in a commercial view at least, of its retention. The cultivation of other spices has been introduced there also, to a considerable extent, and the plantations are understood to be in a flourishing condition.”

2920. Are these the grounds on which in your former evidence you considered

sidered these items ought not to have been charged to territory but to commerce?—I considered that at least it ought to have been examined what proportion of them were chargeable to commerce. It has been considered on some occasions that Bencoolen was wholly a commercial establishment; I believe the late Lord Liverpool expressed in Parliament the same opinion.

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2921. As these charges, before the acquisition of the Dewannee, were paid by commerce, and as since then they have been transferred to territory, have you made any calculation of what the amount is that the alteration of that charge has made in the Indian debt?—A great many millions. I had made no calculation on this head, except for the supplies to Bencoolen, from 1792-3 to 1808-9; but since my former examination, understanding there had been a wish expressed to know what would have been the effect if the territory has never been burthened with the payment of these charges, I have made a rough calculation, as far as the data within my reach enabled me, but keeping under the mark. I should hesitate to state the result, without premising that the only value I attach to the inquiry is, that it may serve to show those who think these charges comparatively unimportant, and the way in which they have been treated previous to 1814 of trivial consequence, how materially they have tended to swell out the territorial debt. The charges of St. Helena, from 1783-4 to 1827-8, with accumulating interest, amount to £10,700,000; and if those from 1765 to 1783, for which the data are imperfect, be taken at £20,000 annually (which is less than the lowest amount for which I have data), it would add above £8,000,000 to the former sum. The supplies to Bencoolen, from 1792-3 (before which date I have no regular data) up to 1824-5, when the settlement was given up, amount, with interest, to £18,500,000; the whole amounts to upwards of £37,000,000, of which some part may be correctly considered as territorial; but some part, what proportion it is not for me to say, must certainly be commercial.

2922. Are the Committee to understand that as a merchant you could make no correct account of either branch, without being able to determine what would be done with the large amounts you have stated?—I consider that some proportion of these undoubtedly ought always to be charged to commerce; if the account were to be settled as between man and man, it would be necessary to inquire what proportion ought to be charged to commerce.

2923. The account which you gave to the Committee at the close of your former examination relates only to transactions up to 1808-9, and you stated there was difficulty in completing the account up to the commencement of the present charter; will you state in what that difficulty consists?—The papers before the Committee presented in February 1830 do not afford the means of forming any clear conception of the state of the account between commerce and territory for this period, principally from there being no account of the advances made in India for the government, similar to those accounts

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2. Last torn, 1 sq.

presented in the Appendixes, No. 4, to the First Report of 1808, No. 17, to the Third Report of 1811, and No. 52, to the Fourth Report of 1812.

2921. If this information was supplied, could you then complete the account up to the present period?—With the information described, I have no doubt I could shortly complete the account, and without that information this Committee has no means of judging of the result of the transactions of these five years, except from what Mr. Melvill states from that estimate, formed on principles, which, though now law, were not so previous to 1813, and which estimate has never been laid before Parliament. The accounts were investigated by the former Select Committee up to the close of 1808-9, and Mr. Melvill begins his elucidation of the accounts on the 7th June 1830, with the year 1814-15; so that the five intermediate years are thus withdrawn from all investigation, nor indeed are they susceptible of any that can be satisfactory, without the further information I have mentioned.

2925. You say that you are not able to give this account from want of data; if these data were supplied to you, are the Committee to understand you are satisfied that the account you prepared would bear a rigid examination by public accountants?—I have no reason to doubt it; but at the same time, I am quite prepared to expect that these results would be called in question by the East-India Company, and I am far from supposing that in what I have stated, and in the accounts I have drawn up, there may be no error or oversight; considering the nature of the materials I have had to work upon, such a supposition on my part would be very presumptuous, I have, however, no doubt of the general correctness of my view of these accounts; but if the Committee should deem it of importance to have the relative situation of the territorial and commercial branches closely examined into, and clearly ascertained up to the close of the last charter, without which no inquiry into the subsequent accounts can avail for any useful purpose, I venture humbly to offer my opinion, that this can only be effected by submitting the Parliamentary documents to two or three professional accountants, authorized to call for any supplementary information from the Company which they might deem requisite, and to examine the Company's accountants, and others who have studied the accounts, if they should desire it.

2926. In one part of Mr. Melvill's reply to question 5671, he says "The estimate formed on the principle of the plan of separation is mainly defective in its not comprehending the full extent of the claims of commerce upon territory, in respect of establishments instituted for shipping engaged for commercial objects, but afterwards wholly or in part employed for political purposes:" do you recollect that?—Yes.

2927. From your observations on these accounts, what appear to you to be the grounds for supposing them defective in the particulars mentioned by Mr. Melvill?—I must confess that I am ignorant to what establishments Mr. Melvill alludes; they cannot surely be these of Bencoolen or St. Helena. The charges of Prince of Wales Island, Singapore, and Malacca are given in No. 1 (D.)

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of the February Papers, 1830, and are so ample as to give little countenance to Mr. Melvill's supposition, especially when the books are kept with that attention to accuracy described by him in answer to question 5668 ; and as to the other head of defectiveness, it will be seen, on reference to No. 46 of Appendix to the Third Report of 1811, and the Accountant-general's observations on it in the succeeding number of the Appendix, that political freight and demurrage is annually charged against the territory with great apparent minuteness. The Accountant-general there explains political freight and demurrage thus :—"Short tonnage, on which freight is allowed in consequence of the room reserved for accommodation of troops, demurrage, and every other charge incurred in consequence of the ships having been employed in carrying military stores from one presidency to another in India ; or as cartels, or while engaged in any other political service." The amount recovered from government under this head, exact to the place of units, £289,076, shows the minuteness with which the items from which commerce had to be relieved were picked out. (See No. 46 (a) of Appendix to the Third Report of 1811). Indeed it cannot have escaped the observation of any one who has at all looked into the accounts, that, so far from the interests of commerce having been neglected in them, there is apparent, both in great and small matters, a decided disposition to relieve commerce, and throw upon territory every charge that can with any show of plausibility be so disposed of. The charge of the Board of Commissioners, in direct contravention of the Act of 1793, has been already mentioned in my former examination, as also the East-India volunteers ; the supplies to Bencoolen and St. Helena have been spoken of to-day ; and many other items might be enumerated which have been charged and sought to be charged to territory, and with which it in fact had nothing to do.

2928. As you appear to have employed yourself a good deal in the accounts presented to Parliament by the East-India Company, will you, as a merchant, taking a view of these accounts, state to the Committee your opinion of the general character and manner in which they are framed ?—My opinion coincides with that of every one with whom I have ever conversed on the subject, and who had looked into the accounts. What that opinion is I hardly need say. I am disposed to believe, not only from my own limited experience, but from the sentiments of many other mercantile men, that there can be no transactions, however complicated, which accountants of talents, ability, and experience, could not set forth and display in such a form as that they should be intelligible to all men of a plain understanding, and not unacquainted altogether with the nature of accounts ; and wherever, between individuals, accounts of an unintelligible character and contradictory in their details are presented, there will never be but one inference drawn from them—that either ignorance or bad faith presided at their preparation.

2929. Do you consider the accounts submitted to Parliament and to this Committee as contradictory ?—In many particulars such contradictions are

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repeatedly met with, which it is impossible to explain; they might perhaps be explained by those who prepared them.

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2930. Is it on that account you have recommended that one or two professional accountants should be employed to unravel and reconcile these contradictions, if possible?—It is for that reason. I think it is evident, from the Select Committee of 1810, 1811, and 1812 having employed itself at very great length indeed in endeavouring to elucidate these accounts, and having been baffled in its attempt after all, that it is in vain for this or any other Committee to attempt to do it; it can only be done by professional men.

2931. Are there or are there not questions affecting these accounts, which would not properly fall under the consideration of professional accountants; such as the question affecting the division of accounts between territory and commerce?—Undoubtedly, there would be many such. I have in one of my answers stated that some of the charges for Bencoolen and St. Helena ought undoubtedly to be considered as commercial, but it is not for me to say to what extent; a professional accountant could not decide such a question; it would have to be referred to a higher authority.

2932. Would it not be necessary for an accountant, in his attempt to unravel these accounts, to assume a certain principle on which the separation should be made?—Undoubtedly, they would proceed on the known principles on which they proceed in unravelling all accounts presented to them; but where there were other matters which an accountant could not decide, whether matters of law or policy, they would refer such points to the higher authority, the Committee or the Board of Commissioners.

2933. Do you not consider the question of separation of the accounts of the East-India Company into territorial and commercial as one which occurs in no other accounts?—No doubt of it; every particular case has its own features; the commercial and political branches of the East-India Company have their political features; still all transactions of the same description must be carried on by accountants on the same principle; those who are in the habit of undertaking such labours would have no difficulty in arranging this.

2934. Supposing you had all the accounts of the East-India Company within your command, would not the great difficulty in attempting to settle the balance of the accounts result from the necessity of determining how the separation between the territorial and commercial accounts should be effected?—No doubt that would be one point for consideration.

2935. Would not that be the principal difficulty?—I think not the principal difficulty.

2936. What would you conceive to be the principal difficulty in any professional person attempting to unravel these accounts?—In my preceding reply I understood the question to relate to the original framing of the accounts

accounts. Those who have that duty to perform, and who have all the data before them, might arrange them in a very different plan from that in which they are now presented to Parliament and the public, on a plan which would enable them to be understood with facility ; at present they are not susceptible of being so understood ; few persons, I believe, have given more attention to them than I have, and yet I am sure nine-tenths are to me a perfect enigma.

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2937. Supposing the accounts were laid before a professional accountant, and the question of difficulty respecting the separation between territorial and commercial was settled for him, he would be able to put these accounts into a more intelligible form than they stand at present?—That is my opinion.

2938. Do you consider that the question respecting the separation between the territorial and the commercial branches would be such as would come within the province of a professional accountant?—I consider that would not be within his province.

2939. Supposing you had the rule laid down by a direction of the legislature, approved of by the Board of Control, as to the separation to be made, would there then be any difficulty in your following these orders?—There would be no difficulty in that case ; but the rules by which they are separated are liable to be altered at any time by the Board of Commissioners. I beg leave to observe, that from 1814 I consider it perfectly insignificant to what account the different charges are put ; it cannot make 2*d.* difference if any particular expense is put to the charge of territory or commerce ; it would only affect the surplus commercial profit applicable in liquidation of the debt. If charged to commerce, territory will be relieved from the burden, but there will be a less surplus profit. My remark applies principally to the period since 1814.

2940. After all, the great difficulty in the separation of the accounts is one rather of a political nature than merely mercantile?—Not exactly ; for in the case of the supplies to Bencoolen, which are stated by the Third Report to have been applied in a great measure to the purchase of pepper and cultivation of spices, it will be obvious to any accountant that the purchase-money being provided by the territory, the amount supplied ought to be refunded to the territory ; but the whole supplies have been charged to the territory, and the commerce in England have drawn the returns on the pepper and spices.

2941. Would an accountant, under these circumstances, make no allowance to a government wishing to improve the state of the people, by encouraging the growth of that which grows best in that climate?—That might be rather beyond the province of the accountant.

2942. Do you see any difficulty in leaving all the expenses incurred in India, either to the territorial or to the commercial ; is not the principal difficulty

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difficulty that portion of the expense incurred in England?—I am not sufficiently acquainted with Indian affairs to know what is the proportion of expense in India, but there must be necessarily some part chargeable to the commerce. Upon all such occasions of doubt, I have stated that the accountants employed to investigate the nature of the balance ought to be authorized to call for additional information when they want it, and examine the accountants and others who can give them information.

2913. You are aware of the arrangement made in consequence of the Act of 1813, for the separation of the two accounts?—I am.

2914. And of the discussion that took place between the directors and the Board of Control on that subject?—I presume there was a discussion preceding it.

2915. Should you say that the principle which pervades that separation is a just principle, or do you contend against that arrangement?—I must state that I consider the arrangement is really of very little consequence, except to show, as matter of curiosity, what the commerce and what the territory have borne of the expenses. If the Act of 1813 was strictly complied with, it makes very little difference how they are charged. The investments of tea might be made from territorial revenues, and the proceeds of it considered as commercial profits. It would not alter the case; there would then be a heavy amount of surplus profit to apply to the liquidation of the debt created to purchase the teas. I do not consider it a matter of much moment whether in the arrangement between the Board of Control and the Court of Directors the strictest justice or propriety is observed; that is no reason to object to any of the items.

2916. If you went back to the years previous to 1814, would it not be necessary to make some arrangement on principle before you entered into the details of the accounts corresponding to the arrangement made in 1815?—No doubt.

2917. You must come to a certain principle of arrangement as to territorial and commercial?—I consider the accountants would be bound by the plan of separation made in 1815, which would be the best guide they could go by; I certainly should not see much reason to object to that plan of separation, although it seems to be in some respects imperfect. I have not the Parliamentary Paper itself, but I have it in the Appendix to a pamphlet published some years ago, in which it appears that the charges for St. Helena, Bencoolen, Prince of Wales Island, to which the plan of separation alludes, are stated to be those which are *paid in England*, whilst there is no reference to those paid in India in that plan.

2918. Do you conceive, from your knowledge of that plan, that it would be sufficient to guide an accountant in the separation of the earlier accounts of the Company, which are said to be of such importance?—Not without further information from the India House; it would be quite necessary to ascertain

ascertain what proportion of the supplies to Bencoolen had been applied to the purchase of goods ; it would be necessary to form an estimate of what proportion of political marine and of commercial marine had availed themselves of the conveniences of St. Helena, and for such a separation the accountant would have to refer to higher authority, or more precise information.

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2949. Would there not be a difficulty in calculating the assets of the Company, and determining what portion of buildings and fortifications strictly belong to territory and what to commerce?—I believe, from what I have seen of the accounts, that all buildings and fortifications have been charged to the account of the territory ; there is no trace of any having been paid for out of the commercial funds.

2950. Before the acquisition of territory, it must have belonged to commerce?—No doubt.

2951. Then that portion of buildings and fortification which was originally constructed for the defence of commerce, should be still continued as commercial expense?—Yes ; it appears to me not unreasonable.

2952. Might not there be some difficulty in determining, subsequently, what portion of the expense may be justly ascribed to territory, and what portion to commerce?—No doubt many difficulties would arise, and for that reason I think that whoever undertakes it, ought to be empowered to call for much additional information.

2953. We only want your opinion as to whether this is a description of difficulty which would fall within the province of a professional accountant?—I think it would require the reference to a higher authority.

2954. Does it appear from the result of your inquiry, that the commerce of the country has been generally conducted at a loss, and that loss has been made good out of the territorial revenue?—My attention has been principally directed to the question of finances, which is a very large one, and I do not feel myself competent to answer that question ; the one which I have occupied myself on has been quite sufficient to take up a great deal of my time. I am sorry to understand that Mr. Rickards is too unwell to be examined, who has given much of his attention to this subject, who understands not only the financial but the commercial part of it, and would be able to shew the connection. I do not feel competent to speak to the Committee on the subject, though I have my opinion.

2955. Had the commerce of the country been carried on without the aid of the territorial revenue, does it appear probable that the Company's commercial property would now be insolvent or not?—I can form an idea on that subject ; if my view of what the commerce has drawn from the territory be correct, their present capital, although very large, is far within the amount which I imagine they have derived from the territory, reckoning accumulating interest, which must in justice be taken into the account ; because I
conceive

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conceive that if at any period money withdrawn by the commerce from the territory had been applied in liquidating the debt, or preventing the accumulation of debt, it would have kept the debt so low, and the charge of interest so light, that there would be no debt at all at the present moment.

2956. Do you consider the territory a kind of banker to the commercial concern, and that there is a large balance in the hands of the Company?—That is the way I look at it; the territory appears to be the banker in India for the commerce, as the commercial fund in England is the banker for the territory.

2957. Have you at all turned your attention to the question of the rates of exchange, as fixed by the Board of Control in 1814, in comparison with the mercantile rates?—I have not bestowed much labour on that subject, but I have noticed a discrepancy of rather a singular nature in one part of Mr. Melvill's examination, questions 4924 to 4929 inclusive; he states that the rates of exchange, compared with the Board rates, were in favour of the commerce for five or six years after the Board rates were fixed; but in an account given by Mr. Lloyd (in Appendix V. to First Report of 1830, Revenue Accounts, No. 2, at p. 972,) of the loss sustained by the commerce, amounting to £7,000,000, there is only a very small profit derived by the commerce in the first year, and every year after appears a year of loss. How to account for that difference between the Accountant and the Auditor, I do not know.

2958. You mention that part of the supplies to Bencoolen appeared, from the Second Report in 1810, to be applied to the purchase of pepper and spices?—Yes.

2959. Was that ever admitted by the East India Company?—I am not aware that it was ever contradicted, which I consider equivalent to an admission.

2960. Has credit ever been given to the territory for the profits of the pepper and spices you conceive to have been procured by means of supplies from the territorial revenue?—I have not noticed any such entry, and I think if it had existed there, I should have seen it.

2961. Do the Company appear to have made any change in the mode of charging supplies furnished to Bencoolen subsequent to these remarks in the Second Report of 1810?—In the Papers of the Select Committee of 1810, 1811, and 1812, the column of Bencoolen is always headed "Supplies;" since that period, and in the Papers of February 1830, it is headed "Charges;" I am not aware of any other alteration.

2962. It has been held by many that the accounts of the Company up to the commencement of the present charter have been definitively closed, and that it is now no longer competent to the Committee to re-open the question; have you, in the course of your inquiry into the subject, met with any thing confirmatory of such an opinion, either in the Act of 1813, or any other document

document which has fallen under your observation?—I have met with nothing from which such a conclusion could be drawn. The Select Committee of 1810-11 laboured to strike a balance, but in vain, though they stated, in the Third Report, that the documents in the Appendices to their Reports, with some addition, would throw very considerable light upon the subject; “Your Committee having thus submitted to the consideration of the House such observations of the finances of India, as the course of their inquiry appear to prescribe, this Report might be brought to an immediate close, if they had not to apprehend that such a detail might not, as readily as was desirable, direct the judgment to any conclusion approaching to correctness, of the distinction presumed to exist between the political and the commercial parts of this transaction. No absolute distinction on accurate principles, under the present system, can be drawn; the Committee are of opinion that, with some additions, the documents in the Appendix to this and other of their Reports, will throw considerable light on this branch of inquiry.” For the five following years, as I have before stated, the materials for arriving at a balance have never been produced; the Act of 1813 never alludes to the past accounts, and directs merely that the future transactions shall be separately recorded; and in the powers conferred on the Board of Control there is nothing that can be construed to authorise that Board to settle the account between the branches by an arbitrary *dictum*, nor has there ever been any account prepared by the Company and laid before Parliament, professing to exhibit a definite balance between the two branches at the commencement of the present charter; on the contrary, from the year 1815 to the present time, there has been one annually laid before Parliament, exhibiting the account virtually, as open and unsettled at that epoch.

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2963. What account is that?—The Parliamentary number of the present Session is 14.

2964. Is it stated that the balance between territory and commerce remains unsettled?—From the manner in which the home debt is there stated, I infer that the account must be considered as an unsettled account.

2965. Have you examined the first of the annual accounts which was laid before Parliament after the commencement of the charter in 1813-14?—I have examined it.

2966. From what do you understand that the account is considered as unsettled in the first account?—From the manner in which the home bond-debt is there mentioned, and in the whole series, of which it is the last, beginning with that ordered to be printed 24th May 1815. In that account, which first gave a separated statement of the debts and assets, territorial and commercial, the home bond-debt was not included under either head, but was placed at the foot of the account, with a reference to the following note: “The amount of the present home bond-debt, it is believed, has been chiefly, if not entirely, incurred on account of payments made within the

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period of the last charter, for the territory, beyond the amount received in England from the said territory; but, as an investigation of this matter cannot be finished within the time in which the present account must be submitted to Parliament, the amount of the bond debt is here placed against the joint heads of territory and commerce." The investigation here spoken of is, I suppose, not yet brought to a close, for it has never since then been alluded to in the accounts, in which to this day the home bond-debt continues to stand at the foot of the page, and of late years with the following note in explanation: "The home bond-debt is stated without specific application to either branch of the Company's affairs, it not being determined to what extent the debt had its origin from political causes." In any system of accounts a bond will never be granted without its being recorded on what account it was granted. The doubt as to the origin of the debt, therefore, can have no relation to the cause for issuing the bond. Such an investigation could not have taken half an hour; neither can the doubt be, whether the sums paid in England, supposed chargeable to the territory, had all been charged to its debit. The reply to a question this day, as to the defectiveness of the estimate spoken of by Mr. Melvill, must have shown that nothing material can in that way have been overlooked. It appears to me obvious that the desideratum is, such a balance of the transactions between the two branches as the Select Committee in their Third Report sought, but in vain, to arrive at, carried on to the close of the last charter. If that balance should prove to be against territory, and to the amount of the home bond-debt, the Company might fairly argue that that debt should be turned over to the territory; but if, on investigation, the balance should be in favour of territory, a corresponding amount of India debt should be in like manner taken and provided for by commerce. This appears to me the only fair interpretation that can be put on the suspension of the home bond-debt between the two branches.

2967. Do you assume St. Helena to be a commercial charge?—I consider it to be both for the convenience of the commercial and the political branches, but not entirely political.

2968. You stated that it was a commercial charge up to a certain time?—In early periods, before the acquisition of territory, it must have been so of course.

2969. Are you or not aware that the Company's ships always pay port dues at St. Helena?—I am not acquainted with any of the internal regulations of the island.

2970. And that these port dues are carried to the credit of the island?—I am not at all informed of the minutiae of the government of the island.

Jovis, 28^o die Julii 1831.

SIR JAMES MACDONALD, Bart. in the Chair.

HUGH GEORGE CHRISTIAN, Esquire, called in, and examined.

2971. You have been in the civil service of the East India Company?— 28 July 1831.
I have.

2972. In what part of India have you chiefly resided?—I was on the establishment of the Presidency of Fort William in Bengal, and I chiefly resided in the western provinces, more commonly called the Ceded and Conquered Provinces, which commence from the confluence of the rivers Ganges and Jumna, Allahabad being the first district, and they extend upwards in a western direction.

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2973. In what official situations were you?—I have held several situations, but I was chiefly employed as collector of land revenue, and as special commissioner appointed under Regulation 1 of 1821.

2974. What was the object of that regulation?—It was to restore lands to persons who had been deprived of them by unjust and illegal public sales, or who had lost them by private transfers effected by undue influence, and to inquire generally into the rights, privileges, and interests of the agricultural community.

2975. There was a commission appointed for that purpose?—Yes, of which I was senior member.

2976. Will you explain what was the cause of the appointment of that commission?—The government did not know exactly how to give redress to the people aggrieved by the ordinary courts, and in some cases the period of limitation for the cognizance of such suits had expired; an extraordinary measure appeared therefore necessary.

2977. What complaints were brought before the government?—I do not know what complaints was brought before the government, but the judge of Cawnpore represented the confused state of his district arising from such grievances, and I believe one of the members of the council, Mr. James Stuart, urged the necessity of affording prompt redress. In consequence the government appointed a commission with extensive powers; in short to revise, if found necessary, judicial proceedings connected with any of the illegal public sales, or private transfers of the nature above described, within

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a limited period ; the jurisdiction was confined to three districts, commencing with only one at first, *viz.* Cawnpore.

2978. Did you go through the whole three districts?—I was about four years and a half on the commission, and we had nearly completed the district of Cawnpore and Allahabad when I left.

2979. Has the commission pursued its duty since?—I do not know exactly ; it continued its proceedings some time after I left ; but since the arrival of Lord William Bentinck various alterations have, I understand, been introduced.

2980. What was the third district?—Goruckpore.

2981. In what state did you find those districts?—We found that the most abusive alienations of property had taken place ; I fancy even exceeding what the government themselves had anticipated, and we were able to give effectual redress in most cases.

2982. Of what district have you had the charge besides those you have mentioned?—I was acting collector of Furruckabad, acting collector of Allahabad, acting collector of Moorshedabad, acting collector of Bareilly, acting collector of Goruckpore, collector of Agra, acting collector of Cawnpore, and in revenue charge of Shacohabad.

2983. By what tenure is the land held in those provinces?—Chiefly by zemindary tenure ; that is, persons with whom the settlement of the lands had been made, and in whom is considered to be vested the proprietary right.

2984. Is that the same tenure as prevails throughout the dominions under the presidency of Fort William?—I can only speak to my own knowledge as far as I have seen myself, but I believe the same tenure prevails generally in Bengal, and I believe in the province of Cuttack.

2985. The tenure you mean is that which considers the zemindar the proprietor of the soil?—It is.

2986. Is the proprietorship of the zemindar recognized by any public act or avowal of the government?—Yes, I think a proclamation issued by the Marquis Cornwallis, and subsequently alluded to in some of the Regulations in 1803 ; Regulation 25 or 27 of that year it is, I think, distinctly stated that the proprietary right of the land is considered to be vested in the zemindar.

2987. Does that statement apply to all the dominions of the presidency as they now exist, or is it confined to those to which the Regulation first applied?—I cannot state that it applies to all, but I can state that it applies generally to the whole of the western provinces in which I have been employed.

2988. What was the distinction between the settlement of the land in those provinces and in Bengal?—I am unacquainted practically with the settlement

settlement of Bengal; I merely know it theoretically, therefore I cannot speak positively, but I imagine that the basis of the settlement of both parts of the country is the same.

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2989. Should you conceive that, with the exception of the permanency, it was the same settlement?—Yes, more or less; there are parts of Bengal, for instance the district of Burdwan, paying a rental of about £400,000 a year, and is, I believe, the property of the rajah, in which, I have understood, a peculiar tenure called putnee exists.

2990. What is the principle of that settlement, as it refers to the government, to the proprietor, and to the cultivating tenant?—There has been much inquiry and discussion regarding subordinate tenures; that is, about the rights of the ryots, or the rights of the cultivators; but for my part, I am inclined to think that there is a great deal of uncertainty and doubt existing on the question, and that they have neither been either correctly ascertained nor precisely defined.

2991. In point of fact, wherever that settlement prevails are there three parties or two; is there the ryot, the proprietor, and the government, or is there the ryot, and the government alone?—The mode that I pursued in making a settlement was, to issue an advertisement mentioning that I should arrive in a certain part of the district on a certain day, and that I invited all persons who had claims to lands situate in such a portion of the district to appear and prefer them. I then selected the parties in possession, if they were the recorded and acknowledged proprietors, as having the best right to engage; if they were merely farmers, I endeavoured to exclude them, and bring in the proprietor, but I made no stipulation regarding the cultivators.

2992. Then the dealings of the government were with the proprietors, not with the cultivators?—Not with the cultivators, excepting where the proprietors were not forthcoming or ascertained, or refused to engage. The government in some few cases collected immediately from the cultivators, called khas management.

2993. Do those cases occur frequently in the upper provinces?—Very rarely.

2994. What distinction should you make between that mode of settlement, and what is termed the ryotwar system?—There seems to be a little confusion respecting the ryotwar settlement. What I should consider by the ryotwar settlement, taking it in the literal acceptance of the word, would be to receive engagements from each individual cultivator for his field or fields, at a fair appraisement of their value, that government should deal directly with the cultivators; but I have lately heard, that under the Madras presidency it has a different signification; that the ryotwar system is intended merely to imply that every person possessing a proprietary right in a village is recorded, and engagements taken from him, without reference to his under-tenants.

2995. You

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2995. You are understood to say, that the settlement in the other provinces was of this nature, that you on the part of the government negotiated with the proprietors, without taking any cognizance of the cultivating peasant?—Exactly so.

2996. Is not that the system you have just described to be the ryotwar system that prevailed in Madras?—No, I think not; it would appear that by recording the rights of every person holding or claiming a proprietary right, they go a little further into detail than we do. But I am only speaking of what I have heard stated; for I know nothing of the Madras mode of settlement.

2997. Did you make the settlement to which you have alluded?—I made the whole or nearly the entire settlement of Allahabad, a district containing about 3,000 separately assessed estates, and I suppose a population of about 1,000,000, and paying a rental of about £320,000 per annum.

2998. In what year was that?—In 1809 and 1810.

2999. You had no intercourse then with the cultivating tenants?—Except to lend them every support I could with a view of adjusting disputes between landlord and tenant.

3000. What was the tenure upon which land was held in those provinces under the former governments?—I cannot state with any precision, but I imagine that as the collection of revenue was the primary object under the former government, the rights of persons and things were little considered.

3001. By whom was the settlement made of which a commission was sent to correct the evils?—By the English government, and the sales took place under the English government.

3002. What were the particular abuses that existed?—They were various; in some instances lands were sold for balances not due, in others the advertisements of sale had been purposely suppressed, in others the revenue officers themselves had become the purchasers, and in short various abuses, as specified in the preamble of Regulation 1 of 1821.

3003. Was there any particular circumstance to which you would ascribe the possibility of the existence of such abuses?—I think the abuses were occasioned by the malversation of the native revenue officers chiefly, and in some degree by the supineness or misconduct of the European functionaries.

3004. Were those native revenue officers natives of those provinces?—Some were not, but generally speaking they were natives of the provinces.

3005. The parties oppressed in that case were the great proprietors?—The proprietors, and of course the cultivators suffered, because I have generally observed that an auction purchaser is seldom so well inclined towards

towards the under-tenants as the original and ancient proprietors ; there is a good feeling usually subsisting between the ancient proprietor and his under-tenants, whereas the auction purchaser is more keen after pecuniary advantage.

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3006. Are the proprietors in general ancient proprietors in those provinces?—Yes.

3007. Do persons of all religious sects hold by the same tenure?—The religious sects I have met with have been only Mahomedans and Hindoos of different castes ; I know of no distinction between their tenures.

3008. Are the estates large or small generally?—In some districts they are small ; in the district of Gorruckpore for instance, which only yields a rental of about nineteen lacs of rupees, the separately assessed estates were about 13,000 ; whereas in Cawnpore and Allahabad, which yielded a rental far exceeding that of Gorruckpore, the separate estates did not amount to more than 3,000 in each, that is as far as I recollect, therefore in those two districts the estates may be considered comparatively large, and in Gorruckpore small.

3009. Did you enter into engagements with the proprietors of every one of those estates?—In Allahabad I entered into engagements with the proprietor of almost every estate, unless he was not known, or was not forthcoming, or refused to engage ; but I endeavoured, on almost all occasions, to get the proprietors into the possession of their lands to the exclusion of farmers ; I found that more satisfaction was thus given, and that the revenue was more regularly paid.

3010. In making those engagements, on what data did you proceed as to amount?—The plan I pursued was, to direct the tussuldar or native collector, some time previously to the formation of a settlement, to prepare an estimate of the resources of his jurisdiction, directing him at the same time to call the village accountants before him, and to take their accounts for a certain number of years, and as far as he could to correct the inaccuracies of those accounts. On some occasions the tussuldar, who was left in a great degree to his own discretion, made a cursory survey of the village or land, and prepared an estimate or account of the articles of cultivation, and the rates per beega, which is the third part of an acre, but the assessment was formed upon a conjectural estimate.

3011. Were you satisfied with the accuracy of those estimates?—The accounts which the village accountants presented were in most cases palpable fabrications ; and as they were almost the only persons who could give authentic information regarding the rent-roll, it became necessary to have recourse to other expedients by requiring the native collectors and officers of account to get as near the truth as they could ; and I looked occasionally at as many accounts as I could get hold of that appeared entitled to attention, considering the former assessment, the revenue paid to the native government

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ment, the quantity of land in cultivation, and the articles cultivated; in short, I made as good a guess as I could.

3012. Had you any authentic official record of what was paid to the native government?—I cannot vouch for the authenticity of them, but we had records; and when you are out among the people for any length of time, of course information is derived in many ways, from the canongoos, officers of registry and record; there are mirdahs likewise, who are people appointed to measure lands.

3013. Did you, after ascertaining the whole annual produce of an estate, assign a definite portion of that to the government?—The basis of the settlement is more nominal than real; I generally took what I considered a revenue, which the parties could pay easily; I made a deduction occasionally from the gross produce of the proprietary income, which was supposed to be about 14 per cent. from 50 per cent., the share that the government assumed being nominally half the gross produce. The calculations are however more nominal than real, because it is impossible, in the absence of authentic accounts, to know what is the gross produce; and when you are obliged to make a settlement by guess, of course you take what the man voluntarily agrees to give.

3014. Did you ascertain what portion the ryots paid to the zemindar?—No, I did not ascertain what portion they paid to the zemindar; but I observed that where he was an hereditary proprietor the ryots had generally few or no complaints to make; and where the occupancy had been disturbed, there the ryots sometimes complained.

3015. Was the result of that commission very satisfactory to the people?—Very much so.

3016. Then you are not of opinion that the ryots are severely rented?—In some parts of the country I think they are; I think that where the lands have been sold at public sale the ryots are oppressed in many cases.

3017. Have public sales taken place to a great extent in those provinces?—Not to any very great extent, excepting in the three districts above alluded to.

3018. What course did you pursue with respect to those lands that had been improperly sold?—We restored them to the proprietors who had lost them by public sale, or to their heirs.

3019. Should you say generally that the ordinary rate of rent presses severely upon the ryot?—So much depends upon the discretion of the zemindar, that of course it varies. In some places it presses heavily, in other places it does not press so heavily.

3020. Are there any intermediate tenants between the zemindars and the ryots?—In some places there is a person called a mocuddum, who is the head tenant, or a kind of land bailiff.

3021. For

3021. For what term of years did you make the settlement?—It is many years ago since I made the settlement, but I think the last settlement I made was for five years.

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3022. Under the former government had the ryot a right to cultivate the soil in perpetuity, on paying a fixed rent, without increase?—Not that I am aware of; I should say not.

3023. Are the ryots now subject to increase of rent?—I think that the rent is frequently increased on them; one case in particular came before me as member of the Board of Revenue for the Lower Provinces; it originated, I believe, in the district of Jessore, where the purchaser or the proprietor had practised great exaction, so much so that I considered it my duty to submit the case for the consideration of the government.

3024. What were the particulars of that case?—He had hired, I understood, a number of armed persons for the purpose of oppressing the cultivators; had disregarded all existing engagements, and had collected as much as he could succeed in collecting by fair or foul means. The collector made a detailed report, which was submitted to the government, who ordered, at least if my memory does not fail me, that the proprietor should have the option of either relinquishing his purchase, or abiding a prosecution which they would order to be instituted in the court; he preferred, I think, to relinquish his tenure, and then the parties were satisfied.

3025. That was under the permanent settlement of Jessore?—Yes.

3026. Do you know that at first there was considerable doubt whether it was competent for the government in any way to interfere for the protection of those ryots?—I think it was considered doubtful by a member or members of the Board of Revenue, whether, under the regulations of government, the revenue authorities had any power to interfere, but a special case was made of it, and submitted to the government.

3027. In case the settlement was permanent, or for a term of years, has the government any legal power of protecting the ryot from the zemindar?—I think not; in the Regulations allusions are made, I think, occasionally, in favour of the ryots, but they are too vague to be practical.

3028. In those recorded engagements with zemindars are there any provisions introduced favourable to the ryots, or at all adverting to their situation?—I cannot possibly state, but I rather think there is, that they are to be treated with lenient consideration, &c.

3029. Was that the case in the settlements you made?—The engagements are very long; there are many stipulations; that the zemindars are to keep the roads in repair, and to aid the police; but I cannot possibly bear in mind all the stipulations. With respect to the ryots, I think it is that they are to treat them well, to be considerate, and not to practise oppression.

3030. Do not those general expressions reserve to the Company the means
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of interfering in particular cases?—The rights of the ryots are a subject of much interest and discussion among the revenue officers generally, and I think they are divided in opinion regarding it. I recollect myself making inquiries regarding the rights of the ryots, and I could come to no satisfactory conclusion, for the accounts were so contradictory. In one part of the district I might find that they had uniformly been well treated, and in others that they had been seriously oppressed. I did not see how I could afford redress, and in cases of oppression they had no resource but the courts; but one way to advance the prosperity of the cultivators would be to enforce a regular interchange of written engagements.

3031. Are there any written engagements at present between the zemindar and the ryot?—In some cases; and there is a Regulation on the subject, but it is evaded.

3032. Are they from year to year?—I cannot speak positively, but I should imagine that they vary; and I think the zemindars should be required to give regular receipts to the cultivator for the payment of instalments; if that were enforced it would prevent exaction, and facilitate the adjustment of disputes; but now where there is a dispute between the landlord and the tenant, in the absence of regular accounts, there is much difficulty; the village accountant, of course, could, if he would, facilitate all such proceedings, but generally speaking he has a bias towards the proprietor.

3033. What is the general character of that class of society—of the proprietors of land?—They vary in some parts of the district; they are what are called rajapoots, which are considered the fighting class, the military; and they, generally speaking, pay their revenue with tolerable punctuality; but it is dangerous in some instances to interfere with the internal management of their estates; a sort of feudal system obtains in some tenures.

3034. Is the rent paid by the ryot to the zemindar paid in money, or in produce, or in labour?—Generally in money, and in some parts in kind.

3035. If the revenue paid by the zemindar falls into arrear, what means are adopted by the government to realize it?—The system may have undergone some alteration since I left the country, but when I was collector in the western provinces, I had the power of arrest, of distraint and attachment of the estate, and finally the sale of it under certain forms; but the revenue was generally received through the medium of the tussuldar or native collector, and I looked to him generally for his portion of the revenue, leaving him to collect from his division of the district.

3036. Had he the same power that you had?—The powers are all recorded in the Regulations, from the Regulation XXV. of 1803 to XXVIII. of 1803.

3037. If the ryots fall into arrear of their rents, what means are adopted by the zemindars for realizing them?—They had the power of distraint and of sale under certain provisions, such as applying to the local authorities; the whole

whole process is described in Regulation XXVIII. of 1803, which is a very long enactment. 28 July 1831.

3038. Did the zemindars proceed with their tenants without any reference to the government?—In the upper provinces they did. *H. G. Christian, Esq.*

3039. Do the courts afford the same facilities to the zemindars for recovering their rents as they do to the government in realizing its revenue?—The recovery of the rent was vested in the zemindar himself, for he had the power of distraint, and he could apply to the local officer for a sale, and therefore the court had nothing to do with him, unless there was a complaint from the ryot for an illegal distraint, and those points of litigation might come before the court judicially, but the same facilities, if any, appear to have been afforded to the zemindar as were granted to the revenue officers.

3040. In case of a sale what period of indulgence did you generally give to the defaulter?—I think the period was one month from the date of the advertisement in the gazette; notice was given to the public, a copy of the notification was usually sent to the judge, and another ought to be affixed, I think, to the dwelling of the person concerned.

3041. Did you make the sales in the provinces in which you were?—As collector, I made very few; I avoided sales of land.

3042. Do you understand that there had been much change of land since the British came into the possession of that country before you went there?—I think the proprietors are more generally recorded, and in possession of their land now than they were under the native government; and I think the condition of the cultivating class is improved, because under the native government they had not, I understood, the power of migrating; if they left one village and went to another, their persons were liable to seizure; now they can go where they like, and of course that secures to a certain degree better treatment.

3043. What property have the ryots in that country?—As far as I can judge, I think they, generally speaking, are a poor class; I have heard that in Bahar they are better off.

3044. Have they any property that may be called immoveable?—None, but their houses, that I know of, and I believe they claim the trees in some places.

3045. Where they have such property as that, what power has the legal authority over such property?—If the moveable property be not sufficient to liquidate the arrears, I suppose his immovable property becomes liable.

3046. Is it any particular class of ryots that has immovable property?—No, I do not imagine that they have any property in the soil acknowledged by us.

3047. From what you know of the Bengal provinces, what is the condition of the ryot in those provinces as compared with his condition in the upper provinces?—

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provinces?—My knowledge of Bengal is very limited; indeed I never had charge of a district in Bengal, I was only a few months a member of the Board of Revenue, but speaking from hearsay, I should say the ryots in Bengal were not better off than the ryots in the upper provinces, although there is no comparison between the rate of assessment in the two parts of the country.

3048. In what respect do you think the sales of land affect the condition of the ryot?—In the first place it destroys that connection subsisting between him and the old hereditary proprietor; a stranger comes in, who may be a Mahomedan, to a Hindoo village; now it must be very disagreeable to a Hindoo population to have a Mahomedan proprietor, for he will not be inclined to show them that degree of deference which they experienced under a zemindar of their own persuasion.

3049. In the case of a sale has the purchaser a right to alter the tenure of the ryot as to rent?—I cannot positively state whether he has the right or not; but I imagine that it has been generally considered, that when a sale of land took place existing engagements were annihilated.

3050. Then the purchaser is practically at liberty to vary the assessment and to increase it?—I do not exactly recollect what the Regulations say on the subject, but I think the purchasers consider themselves quite at liberty to increase the rent.

3051. Is it not at any rate a disputed question whether the purchaser has not that right?—I think it was a disputed question.

3052. Is the system of sales a necessary part of a settlement of that description?—I think the sales might have been avoided, and I think they could now be avoided; but it must be recollected, that shortly after the conclusion of the permanent settlement, all the subordinate revenue establishments were done away with, and the collector was left alone to realize his revenue, which could not now be collected in any other way, unless the system pursued in the upper provinces was introduced into the lower, to which there is among others the objection of expense.

3053. What are the particular points of distinction exclusive of permanency between the permanent settlement in Bengal, and the settlements in the upper provinces?—There is no difference excepting that the settlement in the upper provinces is considered to be a heavier assessment, and that the collectors employed are obliged to be very vigilant and unremitting in exertion; in Bengal that degree of exertion is not considered necessary, the land being more valuable.

3054. You said that it had been considered whether the mode of collection in the upper provinces should not be introduced into the lower provinces, to what particular distinction did you refer?—The appointment of native collectors in the different portions of each district in Bengal, with a suitable establishment of clerks and persons to execute warrants; and then it would be

be necessary to increase the authority of the Bengal collectors by giving them the power of arrest of the person and of distraint, in short, the same powers that are described by the Regulations of 1803 for the guidance of the collectors in the upper provinces.

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3055. How does it happen that the sales have been more frequent in the lower provinces than in the upper, considering that the assessment is low?—That may be ascribed to various causes, chiefly to the circumstance of the collectors of the lower provinces not possessing the same power over the person of the defaulter that they have in the upper provinces. The collector in the upper provinces generally looks to the crop; the collector in the lower provinces merely looks to the estate.

3056. What is the extent of the power over the person of the defaulter in the upper provinces?—If I recollect rightly, the revenue was payable in nine instalments, commencing about the month of September or October, and ending with May or June, and the revenue was payable between the 1st and 7th day of each succeeding month, and if the balance was not discharged by the 14th day of the month, the party might be summoned and detained in custody by the collector for a period of ten days, and if on the expiration of that period he did not liquidate the balance, he might be sent to the gaol of the district to the judge for confinement, and his property might be distrained.

3057. How long might he be detained?—Till the balance was recovered; but generally at the end of the year, if balances were considered desperate or irrecoverable, the prisoners were frequently released. Reports were required by the Board of Revenue of all defaulters in gaol, I think quarterly.

3058. Have you ever known any instance of a ryot appealing to the court against his zemindar?—Frequently.

3059. With what success?—With different success, according to the merits of the case.

3060. Did the sales of land in the provinces with which you were acquainted realize the revenue claimed by the government upon those lands? I made very few sales of land myself; I think that, as far as I can recollect, the proceeds of sale were trifling, owing to the little value of the property, and probably to the turbulence of the parties.

3061. Were the estates in different stages of cultivation, sometimes almost jungle, and sometimes in a high state of cultivation?—Yes; generally the two districts of Allahabad and Cawnpore were in an advanced state of cultivation.

3062. Has the tenant any means of collecting capital, or of materially improving his situation?—I should not say he had no means, but I think it is a rare occurrence to see a ryot possessing any considerable degree of capital.

3063. Were

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3063. Were the zemindars wealthy men in those provinces?—Not generally.

3064. Are there any improvements you can suggest with reference to the protection of the people from oppression in those provinces, beyond the regular protection of the courts?—I think to facilitate the decision of civil suits, and disputes between landlord and tenant, and to avoid as far as possible sales of land, or any violent means of coercion, would be advantageous.

3065. How would you facilitate the decision of suits?—To facilitate the decision of suits, you must either increase the European agency, or make use of native agency. I think the natives would be found competent to discharge the duty proposed.

3066. What kind of native agency would you think it desirable to employ?—Where the tussuldars or native collectors are established, they might be made use of; and where they are not, additional native judges might be appointed.

3067. Do you think the natives would be as well satisfied with native judges as with European?—Certainly not so well satisfied as with European. The natives are many of them very well qualified, and very shrewd people, but their integrity is open to suspicion.

3068. Is there any portion of the land in those provinces which is free from public assessment?—Yes; lands held rent free and under various denominations, either for the support of religion, or as a reward for some services performed by individuals to the native governments: in short, there are various kinds of grants under which land is held exempt from the public revenue.

3069. You stated that the reason for the appointment of the commission of which you were a member, was an abusive alienation of property in those three districts; was that chiefly through the courts of justice, or by other means?—It originated chiefly from the frauds and chicanery of the native revenue officers.

3070. At that time, previous to the appointment of the commission what was the nature of the court of justice which existed in those provinces?—There was a zillah court, consisting, generally speaking, of a judge who had original jurisdiction, and the registrar who tried suits to a certain amount referred to him by the judge. Then there was a provincial court of appeal, which received appeals from the judge to a certain amount.

3071. Were those courts superintended by Europeans at that time?—Yes.

3072. Were you rightly understood to state that the extensive sales of property you have mentioned had taken place partly under the decrees of the court?—Not under the decrees of the court; in some of the cases of sale the parties had appealed to the courts, and the suits having been dismissed, those cases came under the cognizance of the special commission.

3073. Were

3073. Were those sales arrested by an appeal to the court in any case? 28 July 1831.
 —They may have been in some cases, but generally they could not have been, because it was found that the alienation of property had been very extensive: *H. G. Christian, Esq.*

3074. Did you ever know in that part of India, especially in that part which was under the permanent settlement, so much gross injustice arising from the alienation of property as that which took place at that period in the Ceded Provinces of India?—My knowledge of Bengal is too limited to admit of my speaking to that; I never heard of any such general alienation of property, but individual cases I have heard of.

3075. Under the system which existed in the provinces over which you were collector, did sales of property frequently occur?—Very rarely.

3076. Did not alienation of property from those possessing it, from other causes, frequently occur?—I cannot speak to that point, but my opinion is that they were likewise rare.

3077. You have stated that you made a settlement with the zemindars, how did you ascertain the proprietary right previous to making the settlement to which you have alluded?—In the first place I looked at the record, and saw what name was recorded in the preceding settlement in the column of proprietors; I then invited all claimants to appear who had any thing to urge in opposition to the interests of the person recorded; I then held a summary proceeding, and endeavoured to decide the case as far as I could on the merits of it; I had not the power of disturbing possession, but frequently I was enabled to settle the dispute by arbitration. If no adjustment could be effected, I gave the preference to the persons *bonâ fide* in possession, and referred the others to substantiate their claim in a court of judicature.

3078. Did that process enable you to ascertain what were the rights of either the village officers or of the ryots in the district where you made the settlement?—The rights of the ryots, as I before mentioned, have never, as far as I can judge, been regularly ascertained or defined in those provinces. Some people are disposed to think that they have a right to the occupancy, that they ought not to be ejected so long as they might continue to pay the rent; others again are of a different opinion, and think that a zemindar has the right to eject a tenant if he will not agree to an enhancement of rent.

3079. Did you find those rights, whatever they were, settled at the time you made the settlement with the zemindars?—No; nor do I believe they were ever settled, that is, precisely defined.

3080. You stated that you made the last settlement for five years; how many five years settlements did you make?—Some were five years, and some were four years settlements; I think I never made more than one settlement in a district.

3081. You

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3081. You have stated that under the present government the ryots have the power of migrating from one part of the country to another, do they in fact migrate?—I cannot charge my recollection with any instance, but to the best of my belief they do in cases of ill-treatment.

3082. Have you known any instances in which, having attempted to migrate, they have been forcibly brought back?—No; I cannot charge my recollection with an instance of that kind, but I dare say it may have occurred.

3083. Should you not say that they are of frequent occurrence in India?—I should not think they are of frequent occurrence.

3084. When you speak of the ryots being generally poor, should you say that there were degrees in the condition of those ryots in those provinces, or that they were all reduced to the same level of poverty?—I should think there were degrees, but in general that they were poor.

3085. Did you know any of those ryots that were in what you should consider comfortable circumstances?—I have known estates where the ryots apparently had nothing to complain of; they seemed to be very comfortable; in others again quite the reverse; I should say that in some villages they were well off, and in other villages that they were badly off.

3086. Is there any class of ryots that you would consider above the rest?—I think there are grades among them, but that generally they are poor; for instance where the cultivators are relations of the proprietors they are better off.

3087. You have stated that complaints were in some instances made to you with respect to the condition of the ryots; can you state what was the general nature of those complaints?—As far as I recollect they were complaints about exactions, that is to say, more was demanded or taken by the proprietor than was stipulated.

3088. You have stated that considerable oppression has occurred in those parts of India subject to the permanent settlement from the change of the zemindars, and from the fact of Mahomedans sometimes making the purchase of a zemindary which a Hindoo had previously possessed?—I was only supposing a case that must have occurred.

3089. In the settlement you made in the provinces to which you have alluded, did you pay any attention to that fact of the religion of the zemindar?—If I may be allowed to say any thing with regard to my own proceeding, I may mention, that the Board of Commissioners, in passing their orders on the settlement of Allahabad, observed, that only two cases, I think, had occurred of an appeal against my decision regarding the selection of persons with whom the settlement had been made.

3090. Did the religion of the party with whom you made the settlement enter into your consideration at the time you made it?—I was bound to make a settlement with persons in possession, if proprietors, without any reference to the religion of the parties.

3091. Is

3091. Is the land, generally speaking, extensively cultivated in those districts, or is there a considerable quantity of waste land?—Cawnpore and Allahabad, and Furruckabad, I should consider in an advanced state of cultivation; Gorrockpore is quite the reverse.

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3092. At what period did the provinces in which you were employed come into the possession of the government?—I do not exactly recollect the precise period, but there were several periods; some of the provinces probably came into our possession in 1802; my employment commenced in the latter end of 1807, and extended to 1820, as collector.

3093. Does not your experience in India lead you to believe that the countries coming into our possession from the native states are liable to much more abuses in the introduction of our authority, and greater confusion in their settlement and administration, than those of which we have had longer possession?—I should think that of course the abrupt introduction of new laws and regulations into a newly acquired country may produce confusion.

3094. You have said, that with respect to the cultivators of the land, you had not a minute knowledge of their rights, either from their hereditary claims as proprietors of the soil, or from usufructuary rights, or from occupancy; did any cases occur in which they claimed those rights in various disputes you had to settle between them and their zemindars?—From time to time various claims may have been made, but, as I said before, it is my opinion, that the rights of the cultivators had never been ascertained or defined; I never could come to any conclusion regarding the precise rights of the ryots.

3095. Were there not in the countries subject to your management different classes of ryots, particularly two distinct classes, one considered as permanent and fixed ryots, and the other migrating ryots?—There were two descriptions of ryots, there was the khoodkasht or resident ryot, and the other the paeekasht or the cultivator, who did not reside in the village, but resided in an adjacent village, a kind of hired labourer.

3096. Which of those classes was considered the most respectable in those countries?—The khoodkasht.

3097. Do not you conceive that the settlements which you made with the zemindars were of the nature of those settlements that had been common to the native governments under the name of istemrar?—No; I consider the term istemrar to apply to an assessment fixed in perpetuity, or not subject to increase; the settlements I made were of a temporary nature, although the settlement of Allahabad was made in the expectation of its being declared permanent.

3098. Do not you conceive, that though there is this difference in the nature and duration of the tenure, yet that both tenures left the ryots in the same relation to the grantee, that is to say, that government looked to the

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person to whom it made the grant of the estate?—Yes; excepting, if I recollect rightly, in some of the Regulations, it says that no zemindar has power to grant a lease to his under-tenant for a longer period than he holds himself of the government.

3099. Have not the relations and connections of the zemindar and his family frequently villages and lands given to them, as under-lessees, so as to render their condition as a class superior to the other inhabitants?—I think the relations and connections of the proprietors were generally treated with a greater degree of consideration, which made them of course in most instances better off in point of circumstances than the cultivators.

3100. What in general was the condition of the mocuddums of the different towns and villages under your management?—Mocuddum is a convertible term in most parts of the country; where I have been it implies the head cultivator or land bailiff of the proprietor, but in other parts it implies the elected representative of a body of proprietors. Their circumstances of course vary with reference to the application of the term; in one part of the country they seem to be the chief proprietors, in the other part of the country they are subordinate persons.

3101. In cases where they are elected by the proprietors, is it by a body of proprietors, of persons holding estates, or minor persons?—If there are four partners in an estate they elect one of the four to manage, and he is called the mocuddum.

3102. The question refers to the person who is immediately the head of the town or village?—In the part of India with which I am conversant, the mocuddum implies the head ryot, the person next to the zemindar. Where the estates comprise many villages the head man of the village would be called the mocuddum; and frequently it will be found that that person has been at one time or other the proprietor of the village, and that he or his ancestors have executed a deed of sale in favour of the present zemindar. A tallogor, which implies several villages comprised in one estate, is thus formed; but even that is a convertible term, for in the upper provinces it implies an estate comprising many villages; whereas in Bengal, I believe, it implies a village dependant upon another.

3103. Where such mocuddums exist of towns and villages is not such person generally, if not always, a native of the place, and one who has held that office for a period by hereditary right?—I think that he is, generally speaking, a native of the place, and has resided in that place from time immemorial, but I am not prepared to say by hereditary right.

3104. Is not he generally a person who, from wars, or distress, or oppression, or other causes, has been obliged to part with or sell those rights which he formerly enjoyed?—In times of anarchy and misrule, of course, unjust encroachments and usurpations took place, and therefore he may have been induced, from motives of fear, to avail himself of the protection of a powerful neighbour.

3105. Are

3105. Are you aware how he is supported, or whether he receives any thing for exercising his duty as a mocuddum, or head of the place ; and if so, whether that is in the shape of a grant of land, or by money payment, from the zemindar under whom he acts ?—I cannot state precisely the kind of provision that he receives, but I believe that the mocuddum generally has some consideration either in money or in kind from the proprietor, sometimes in grants of land rent free, or at a low rent.

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3106. Have you ever heard that former governments were in the habit of expelling or taking away from the koodkasht ryots the lands which they claimed either by hereditary right or by their right of occupancy ?—Much oppression seems to have been practiced by the former governments ; I do not think they respected the rights of individuals, they looked to the revenue, and they collected it by any means ; I recollect no instance of the sort referred to in the question, but as I was not in those provinces during the native administration, of course I could not well know much on the subject.

3107. In various parts of the country in which you were employed, did you not find the rights of tenure in many of those provinces vary extremely ?—In the district of Bareilly, in making the settlement of a portion of that district, paying about £28,000 per annum, nearly the whole of the engaging parties were denominated mocuddums, and few or no persons came forward to claim the proprietary right. I could not ascertain with precision the reason, but I was given to understand, if I recollect rightly, that at some former period that part of the country had been bestowed upon some favourite at court. I imagine that the government, after a certain time, bestowed the proprietary right in those villages on the mocuddums.

3108. You stated that you think there is danger in some cases from interference with the zemindars ; to what kind of danger do you allude ?—To reaches of the peace.

3109. For what period can you recollect revenue defaulters, without any other crime, being confined in any of the gaols ?—I cannot charge my memory with that, but the usual period would be till the end of the year, that is to say, supposing a man was confined in the month of May or June, when the revenue of the year ought to have been nearly received, he would be released in two months or so, unless he were detained for the sake of example, and then of course a much longer period might elapse. It is generally found to be a bad plan to keep the proprietor in gaol, unless he really has the means of making good the balance.

3110. Do you conceive that generally the administration of justice in the western provinces where you were, as it relates to revenue defaulters, is considerate and lenient ?—I think a great deal depends upon the kindly feeling of the collector himself ; if he chooses to be severe, he has the power of being so.

Martis, 2^o die Augusti, 1831.

SIR JAMES MACDONALD, BART. in the Chair.

JAMES MILL, Esq. called in; and examined.

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3111. You hold an office in the East-India Company's service?—Yes.

3112. What office do you hold now?—At present I am Examiner; that is, the head of the office which has the principal charge of the correspondence with India in the political, revenue, judicial, and general departments.

3113. That of course gives you a knowledge of all the transactions of the Indian government?—I have had a familiar knowledge of the records of the Company, and the correspondence, during the time I have held that office.

3114. What is generally the system of revenue in British India?—I think I can best answer that question by mentioning first the principal sources from which the revenue is derived. The land revenue is the main department; the salt monopoly and the opium monopoly are two other sources. There are the customs, both land and sea customs, and the stamps; there are some smaller articles, but from these sources generally the revenue is derived. The land revenue being mainly derived from the cultivators of the land, the interests they have in the land, and the relations in which they stand to one another, and to other parties having an interest in the same land, need to be held in view in order to have a correct knowledge of this main part of the revenue system. The great peculiarity, as it appears to me, in the state of the land in India, arises from the situation of the great mass of cultivators, who hold the land generally in small portions, in a way different from what is known in Europe, and to a considerable degree different from what obtains in other parts of Asia. The peculiarity consists in the mass of subordinate cultivators being land-holders, having a right to the perpetual hereditary occupancy of the soil so long as they continue to pay the revenue demanded by government; the demand of government being unlimited, although practice, long continued, was understood in a certain vague way to fix a limit. The land in India originally, I imagine (generally speaking), was distributed in this way, among a class of men who cultivated the land with their own hands and with their own means, having the right of perpetual occupancy, and subject to the demand of government, which in general was limited, according to established practice, but according to the declared right of the sovereign, was unlimited; and according to all I can gather from the practice of former governments, never was less than the full rent, probably in many instances more, not unfrequently as much more as could

could be raised without diminishing the number of inhabitants and desolating the country.

3115. What is the difference in the mode of collecting the land revenue in the different parts of British India?—The difference mainly consists in the different degrees of summariness or detail. By the Mahometan governments, a mode of collecting the revenue to a considerable degree summary was generally adopted. In some places it was no farther summary than by being collected in one sum from one village. In other cases it was received in one sum from officers of government who had charge of districts, sometimes of more, sometimes of less extent, and were known by various titles, as talookdars and zemindars; the officers employed in the summary mode of collection being rewarded by the government generally with a per-centage on the collections. In Bengal, Behar, and Orissa, under the Mahometan governments, the revenue was collected in the most summary method. We there found zemindars managing considerable, sometimes extensive districts, whose obligation consisted in paying a certain annual amount to the government. The British government, as is well known, formed the resolution in 1793 of making proprietors of the zemindars whom it found in Bengal, by fixing the assessment for ever. The sum which a zemindar had been in the habit of paying was ascertained by the observation of a few years backwards, and the engagement was that this should never be raised upon him. The effect has been to render the zemindars, to a considerable extent, the land-owners of the country: in general they have been so called and so treated in the practice of the government, and even in the practice of the courts of law.

3116. Is that what is known by the name of the permanent settlement?—Yes, or the zemindary settlement.

3117. What is the distinction between that plan and the plan that prevails in the other presidencies?—The permanent settlement has not obtained at any of the other presidencies, with some exceptions in Madras, including certain polygars in the south, and hill-chiefs in the Northern Circars; in most instances the descendants of small Hindoo rajahs, who rather paid a tribute or peshcush than had been ever subject to the regular revenue system of the Mahometan governments. Several of those hill-chiefs, whose people were not easily managed by any body but themselves, have been considered as permanent proprietors of those estates, and pay an assessment analogous to that of the zemindars in Bengal. With these exceptions, the Madras territory is either under a village settlement or ryotwar.

3118. What was the date of the permanent settlement of Bengal?—1793.

3119. What is the system under the Bombay presidency?—In the Bombay presidency, to a great extent, the village settlement prevails; in several recent instances the ryotwar system has been introduced.

3120. What is the distinction between the three sorts of settlement, the village, the ryotwar, and the zemindary?—Under the permanent settlement the zemindar continues to pay a fixed sum to government, and he levies
this

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this from the ryots on the property. The principle of the zemindary settlement was a share of the rent of the land with government. By the practice of preceding governments, one-tenth of what was collected by the zemindar (I speak of Bengal) was allowed him as his remuneration; he had other sources of profit; but it was upon the principle of this division that the permanent settlement was made; the understanding was, that nine-tenths of the rent or of the net produce of the land collected from the ryots was paid to government, and one-tenth was reserved for the zemindar; the progress of circumstances has very much altered those proportions. The obvious difference between this system and the ryotwar is, that the zemindar collects from the ryots by his own agents. In the case of the ryotwar system, the collections are made by officers of government; every ryot is understood to make his bargain with the government without the intervention of any middle-man. There were peculiarities in Sir Thomas Munro's mode of the ryotwar, chiefly from an attempt to ascertain the rents more exactly. In those places in which it has been attempted in Bengal, nothing more has been done than to settle with the ryot how much he should pay for the whole of his holding. The principle of Sir Thomas Munro's ryotwar was to assess each acre of the land separately; the ryot was then charged so much for the land which he cultivated.

3121. Was that his maximum?—The rate fixed was the maximum; it was the utmost amount that was to be taken from the ryot; and in Sir Thomas Munro's idea of ryotwar settlement, this maximum was to be considered permanent; it was never to be enhanced, though it might be diminished. It is from the detail that the difficulty arises; because though this be fixed as the maximum that the ryot shall ever pay, it rarely happens that he is able to pay so much; and that being the case, a sort of bargain is to be made with him annually, and of course in that bargain a great deal of discretion is necessarily involved.

3122. What is the distinction between that and what you term the village system in Bombay?—The village system consists in settling with the village how much the village collectively shall pay. The officers of the government do not go into the detail to collect from each ryot, they only collect from each village the sum so assessed upon the particular village, according to the best estimate that can be made, and that assessment is generally regulated with some person of authority in the village, whom the villagers themselves put forward, and who goes by different names in different parts of India; village zemindar, potail, malick, mocuddum.

3123. In the provinces under the Bengal presidency, is there not a distinction in the system by which the land revenue is collected?—There is a great distinction between the mode in the lower provinces and in the western or upper provinces. The provinces of Bengal, Behar, and Orissa are subject to the permanent settlement. The upper provinces are not under any permanent settlement, and the general mode of assessment there is by villages.

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A settlement more in detail has been attempted, in some cases, with good success, and in others with indifferent success; generally the collectors in Bengal have not been favourable to the collection in detail, they have been partial to the more summary methods. From the mode of effecting these village settlements inconveniences have occurred, because the name of the person who engages with government is generally entered in the books of the collector as the proprietor of the village, and no other name besides. When the lands of a village have come to be sold for arrears of rent, this engager with government has been considered as the proprietor of the whole of the village; and the auction purchaser has been considered, and has been allowed in too many instances to act as the proprietor of the village; whence the other villagers were deprived of any permanent interest they possessed, and were reduced to the state of tenants at will.

3124. Will you state generally the district within which those different kinds of settlement prevail?—I stated, in a general way, the three great lower provinces, Bengal, Behar, and Orissa, are under the permanent settlement. The ceded and conquered, or as they are generally called, the upper provinces, are not under the permanent settlement, they are for the most part assessed by villages.

3125. Do you know what the mode of assessment is in the kingdom of Oude?—In the kingdom of Oude I imagine it is for the most part summary; there are zemindars of a very considerable extent, who have troops and castles, and our forces have sometimes been called for and needed to coerce them.

3126. Is that a permanent system of settlement?—There is no permanency in Oude. The zemindars are merely officers of government collecting large districts and holding considerable authority, as was the case under the Mahometan governments generally; those officers had the civil government of the country placed in their hands, with troops under their command; their's was the Dewannee authority. A military authority was commonly established in the same district, under the name of Nizam, in the Bengal provinces, and Foujdar, in the Madras provinces. The civil branch of judicature was in the hands of the zemindar, or the revenue chief; the penal branch was in the hands of the military chief. Some of our names are derived from these circumstances: the supreme criminal court in Bengal is called the Nizamut Adawlut, and the supreme criminal court at Madras is called the Foujdaree Adawlut.

3127. What is the system in the ceded territory on the Nerbudda?—That is one of the recently-acquired territories, and these were placed for a time under a sort of provisional management. The regulations were not immediately introduced into those provinces. The strictness of our methods, particularly of our law proceedings, has been found to be very unpalatable to the leading men in those newly-acquired countries; and it was thought advisable to reconcile them to it by degrees. The country was placed under commissioners. There was one commissioner that had charge of those territories

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ritories in the Nerbudda. There was a commissioner who had charge of the Deccan. Sir John Malcolm had charge of Central India himself, on the same principle. These commissioners were instructed to act upon the laws and customs of the people, and of the government that we had superseded, till a more perfect knowledge of the country was obtained, correcting abuses, and gradually introducing improvements. Those commissioners had assistants under them, who had charge of the various districts in detail, and managed both the revenue and judicial business; they collected the revenue, and they administered justice by themselves in person, and by the different individuals whom they employed under them. A main duty of these officers was to collect as much information as they could, which they reported to government. Latterly, in the Deccan and in Central India, that system has been superseded by the introduction of the Regulations, and they are now managed as the upper provinces generally are managed. The adawluts and regular courts have been introduced, and the country has been divided into collectorships, and it is managed pretty much upon the same principle as the ceded and conquered provinces.

3128. What is the case in the ceded provinces in Oude?—The provinces that were ceded by the Nabob of Oude to the English Government were included in my answer respecting the ceded and conquered provinces generally; the settlements are collected most commonly in the village mode.

3129. Is it a village settlement in the ceded territories on the Nerbudda?—Yes; generally speaking, wherever large zemindars have not existed, and they were found rarely any where except in the lower provinces, the assessment and collection is by villages.

3130. What is the mode of settlement in Tanjore?—The settlement in Tanjore has been by villages. Considerable objections were started by a class of village proprietors, called there meerassaders, to Sir Thomas Munro's ryotwar system, chiefly on account of the distribution of the waters. It is a country fructified entirely by irrigation from the Cavery; and it was stated and urged that if the villages were not assessed in common there would be perpetual contests and quarrels about the distribution of those waters to the different fields, and that no mode was therefore applicable to Tanjore but a village assessment. That accordingly was adopted and persevered in for several years. At last it appeared to the government that it was not answering; that is, it was found, as is very generally the case where the distribution of the assessment is left to the inhabitants of the village among themselves, that oppression was practised upon the inferior holders, the poorer ryots, by those in the village who had more power. Such evidence of that presented itself to the Madras government before the death of Sir Thomas Munro, that a ryotwar survey was ordered of Tanjore, with a view to introduce the ryotwar settlement. That survey is now going on.

3131. What is the system in the ceded and conquered provinces in Mysore and those ceded by the Nizam?—Those ceded by the Nizam, Cuddapah, and Bellary,

Bellary, were those that Sir Thomas Munro had originally charge of, and in which he first introduced his own system of ryotwar. The possessions obtained by the conquest of Mysore are mostly ryotwar. The Mysore district is under the rajah, and I rather think is under village assessment.

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3132. What is the system in those countries ceded by the Guicowar?—The mode of collection in Guzzerat generally is by villages.

3133. You have stated that it is always the practice in India that the principal source of revenue should be the land; is that a practice which we have maintained?—It is.

3134. Do you conceive it is possible to avoid following that system, or do you think it is an advisable system?—I should not think it either possible or advisable to avoid it; not possible, because there is really no other adequate source of revenue in India. India is a country exceedingly poor. There are few sources of industry different from labour upon the land. If you were therefore to abandon the land revenue, there is no other means that I am aware of, of obtaining a revenue. You might, to be sure, proceed by indirect means, but it would come to the same thing; you must either go without the revenue, or you must take it where it is to be had. I conceive, however, that the peculiarity of India, in deriving a large proportion of its revenue from the land, is a very great advantage. Nine-tenths probably of the revenue of the government in India is derived from the rent of land, never appropriated to individuals, and always considered to be the property of government; and to me that appears to be one of the most fortunate circumstances that can occur in any country; because in consequence of this the wants of the state are supplied really and truly without taxation. As far as this source goes, the people of the country remain untaxed. The wants of government are supplied without any drain either upon the produce of any man's labour, or the produce of any man's capital.

3135. You have described various systems of collecting the land revenue; which of those do you think is the most advantageous for the people?—I conceive that as matters are at present settled in India, by far the best security for the inferior people is, that the assessment should be made and should be collected from them by the officers of government, without the intervention of a middle-man. It appears to me that the interest of the ryot is much more likely to be protected if he transacts with the officer of government under all responsibility to which he is liable, than if he transacts with the other species of middle-man; and I should say that the experience of India goes to that conclusion. With respect to village settlement, the villages being a sort of fraternity, very often claiming to be relations, and in some cases calling themselves brethren, it was sometimes thought that the inferior ryots would be under an equitable and kind management if the assessment was distributed upon them by the heads of the village; but experience has gone very much to the contrary; it has been found that those heads of villages are in almost all cases oppressors of the inferior ryots.

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3136. What do you suppose to have been the object for which the permanent settlement was introduced?—I believe the permanent settlement was introduced with the best of all possible motives, with a view to the protection of the whole mass of the agricultural population. That appears to me, from the proclamations of government at the time, and other documents, to have been the object in view. From our want of experience, great abuses had before that time been practised by the different sorts of people whom we employed in the collection of the revenue. The detail of the business was so great, that it frightened Lord Cornwallis and the government of the day, and they conceived that no better method for the protection of the ryots could be invented, than to create a species of landlords, from which they expected much benefit to arise. The ground upon which their reasoning principally went was this, that those zemindars having a permanent interest in the land assigned to them, would feel an interest in the prosperity of the ryots, in the same manner as a landlord in England feels an interest in the prosperity of his tenants. This was expected to produce two good effects; to create a landed aristocracy in the country, and, above all, to afford protection to the ryots from this kind of paternal feeling that was expected to pervade the zemindars. Unhappily that last expectation has been found to be very far from corresponding with the facts; they little understood the nature of the men with whom they were transacting.

3137. Did the permanent settlement recognize any rights in the ryots?—In a general way, I should say they were clearly recognized. In some of the Regulations that established the permanent settlement (and if my recollection is accurate, it is Regulation 1, of 1793), there is on the part of the government not merely an acknowledgment of certain rights belonging to the inferior holders on the property that was thus transferred to the zemindars, but a reservation on the part of government of a power to interfere for the protection of those rights, and to make new regulations and laws for that express purpose.

3138. To what extent do you believe that the permanent settlement did affect the rights of the ryots?—I believe that, in practice, the effect of it has been most injurious. The most remarkable circumstance, and that by which all the rest seem to have been introduced, was the interpretation put upon the effect of the sales of land, particularly public sales that were made for recovering arrears of revenue. The idea came to be entertained, that the purchasers at those sales were proprietors. They were denominated proprietors: a man that purchased an estate was considered to be the proprietor of that estate; and in consequence of this notion of proprietorship, and the great powers that are annexed to it in the mind of an Englishman, an idea seems to have been entertained that the purchaser of this estate purchased the rights over it, as completely as a man would purchase rights over an estate, by purchasing it at a public sale in England. Those auction purchasers, as they were called, proceeded to act upon this assumption, to im-
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pose new rates upon the ryots, and even to oust them wherever they found it convenient. When applications were made to the courts, and they were not early made, because the people are exceedingly passive, the judges, for the most part, coincided in opinion with those auction purchasers, and decided that their rights included every thing, and that the ryots were in the condition of tenants at will. This has proceeded to a very considerable length; because during the first year of the operation of the permanent settlement, a very great transfer of property took place. It appears also, that the same sort of feeling as to the rights of the ryots, which was thus spread by the interpretation of this act of purchasing, has pervaded also the other properties which had not changed hands, and even those cases of transfer which took place by private bargain; and that generally in Bengal now there is hardly any right recognized as belonging to those inferior holders.

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3139. Do you conceive that at present the transfer of property by any means is held to give the new acquirer a complete right over the cultivators? I believe so: the thing is not so distinctly made out upon the records in other cases as in that of the auction purchasers, but there is every reason to infer that the same sort of feeling that was generated in the case of those estates that were sold, now pervades the whole of them. There is a very remarkable expression in one of the despatches from the government of Bengal, that the rights of the ryots in Bengal, under the operation of the permanent settlement, had passed away *sub silentio*.

3140. Has it come to your knowledge that the government of Bengal some years since directed queries to be circulated among the collectors in the permanently settled provinces, to ascertain whether, in point of fact, the transfer of property was held to annul existing rights?—Yes, there were queries of that description circulated, and replies were obtained from a great proportion of the collectors and judges; there was diversity of opinion upon the matter of right, but with respect to the matter of fact, it was admitted that generally such had been the construction.

3141. Did the government take any steps in consequence of that coming to their knowledge?—The government took certain measures to stop the thing in future; but when the rights of the ryots had already passed away *sub silentio*, there was hardly any thing to be done, the evil was consummated.

3142. When did this occur to which you are now alluding?—I think in 1824.

3143. Did not they pass some Regulation to correct the evil?—There is a Regulation of 1822, which was expressly intended to obviate the inconveniences, the frauds and injustice which it had been found were apt to occur in the case of public sales. It has been enacted in a recent Regulation, that in no case of sale shall anything whatever be considered as sold or saleable by the previous owner of the property, but such rights as he him-

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self possessed; thus all existing rights of those holding under him are reserved.

3144. Are you of opinion that at present the ryots have no rights at all in the land?—Generally that is the case; they are mere tenants at will of the zemindars in the permanently-settled provinces.

3145. Could the government by any process now return to the rights which existed in the year 1793?—There is one mode which has long appeared to me an unexceptionable one, and requiring only time for the full benefit of it: it is this; that whenever any zemindary property shall come to be sold, it shall be purchased on account of government, and re-settled with the ryots upon their old hereditary principle. This has been strongly recommended by the home authorities.

3146. How are those old hereditary rights to be ascertained?—The great thing is to confirm them in their possessions as hereditary occupants. The object is, that government should never hand them over to the zemindars again, but that they should remain the ryots of government, from whom the government collector will collect individually. In other words, those estates are to become ryotwar.

3147. Are there any means of ascertaining the amount of the payments which the ryots made in 1793?—By no means accurately. In Bengal the accounts of the village accountants are altogether unworthy of credit; they are mostly fabricated for particular purposes.

3148. You were understood to state that the Court of Directors had recommended that the zemindaries which come for sale shall be purchased by government, and re-settled upon the ryotwar system; would they receive a much larger rent for them on the ryotwar plan than they had on the zemindary plan?—They do not collect from the ryots under the zemindary plan at all.

3149. In those cases in which this new enactment of the Court of Directors is brought into effect, is not the only advantage given to the ryots this, that there is to be no payment required from them beyond the payment which they made at the latest date before the sale?—There is nothing fixed in regard to the payment that may be obtained from them. A settlement is then made with them according to what may appear to be reasonable.

3150. Do you recollect the date of that late direction of the Court of Directors?—It has been given, in terms more or less explicit, in more despatches than one, within the last few years. In a despatch of the last year it has been more particularly enforced, and in the shape of an express injunction; for at first the government of Bengal started objections to it on the score of expense and difficulty, and they complained that a great many of the collectors would be very ill judges of the value of the land.

3151. Under this plan the lands of defaulters would never be brought to public

public sale?—Under the ryotwar there is never any sale, nor any occasion for it.

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3152. Under this order of the Court of Directors are the lands under the zemindary system brought to a public sale?—They are brought to a public sale, because otherwise it would hardly be a fair bargain; they are put up to auction and bought in on account of government; the government is a competitor with other intending purchasers in open market.

3153. Are there many competitors?—There are sometimes more and sometimes fewer; it depends upon accident. It is somewhat remarkable, in regard to those zemindars of Bengal, that it is more difficult to collect the revenue from them than it is from the people who are not under the permanent settlement in the upper provinces. The extent of land advertised for sale having alarmed the Court of Directors, they desired that queries upon the subject might be circulated. From the answers it appeared that these zemindars were in the habit of refusing to pay till the last moment. It is common with them to permit the whole process to be gone through for bringing the property to a sale, and to come into the collector's office where the bidders are assembled, praying for a postponement, and when that cannot be obtained, to produce the money and stop the sale. The consequence of this undoubtedly has been exceedingly injurious to the persons who are obliged to sell and are not prepared with their money at the time. It was inferred by the Court of Directors that this practice could not fail to prevent bidders coming forward, it being thus impossible to know beforehand whether the property would be sold or not; and very lately instructions have been sent to require the tender of payment to take place a certain time antecedent to the sale, otherwise the sale not to be stopped; but out of tenderness even those zemindars that can tender the money on the day of the sale may enter into competition for the repurchase of the property.

3154. For what reason did zemindars, having the means of payment, defer the payment till the latest moment?—They deferred the payment for a very obvious reason: the rate of interest of money among themselves is at least 24 and sometimes 30 per cent. per annum, while they are only charged 12 per cent. on their arrears to government; of course the longer they can refrain from payment, if they need to borrow, or the longer they can keep out their money at interest, if they are in a condition to lend, so much the better for them; and it is a principle of the people of India generally, never to pay till they are compelled to do it.

3155. In case of a gift of an estate, or the descent of an estate, is it supposed that the new possessor has a complete power to make new terms with his ryots, as well as in the case of public sale?—My inference undoubtedly would be, that what was originally understood of auction purchases, is now understood of all the zemindars generally; that not only the ryots upon those estates that have been sold at auction have no rights, but that the same is the understanding with regard to all the rest.

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3156. It is presumed that the directions of the Court of Directors do not apply except in the case of public sales?—No; in the case of private sales, where the transfer takes place between a zemindar and another party in the way of private bargain, they do not interfere; but the instruction is, that in all cases of public sales where there is not any great sacrifice on the part of government, the estate shall be purchased on the part of government, and then settled with the ryots on the ryotwar principle.

Jovis, 4^o die Augusti, 1831.

SIR JAMES MACDONALD, BART. in the Chair.

JAMES MILL, Esq. again called in, and examined.

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3157. ARE the Committee to understand that the estates purchased by government at public sales are to be held as remaining perpetually in the hands of government?—That is the present purpose of the purchases that have been directed to be made; they are to remain in the hands of government, and the revenue to be collected immediately from the ryots.

3158. Has any great extent of land been purchased by the government in that manner?—Not any great extent, because it is only recently that the suggestion has been made to the Bengal government, who at first were somewhat averse to it, for reasons which they stated. Latterly they are more inclined, and the instructions have been more positive; but the most peremptory instructions are of recent date. The purchases of the greatest extent have related to estates held in common, or in joint-tenancy, what they call putteedaree estates. In the case of those estates the arrear is frequently occasioned by the default of a small number of the joint proprietors; and when a sale for arrears takes place the whole of the estate is sold on account of the default of a small number. As soon as this consequence came to be reflected upon, it was regarded as a very great grievance, and measures were taken to prevent it; and in a number of cases in which estates have been so disposed of, they have been re-purchased by government, and re-settled with the original proprietors.

3159. How have those estates which have thus come to the hands of government been managed; have they been well or ill managed?—In respect of those which have been so purchased, our experience is yet too little to enable us to say what has been the result. There are certain cases of an analogous kind which may be mentioned; estates held khaus, that is, estates which hav-
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ing come into the hands of government, or being managed by government on account of the proprietor, are assessed, and the collections made in detail by the officers of government. Estates so managed have generally been described by the Bengal collectors as succeeding ill, as falling behind in the revenue derived from them, without being favourable to the protection of the ryots. It was not satisfactorily accounted for why khaus management, which was only a management in detail with the ryots, constantly succeeded ill in Bengal and well in Madras. Questions were put to elicit information, and the result seems to be, that khaus management in Bengal is only another name for careless management. The collectors paid little attention; the estates were left almost wholly to their principal servants, the tehsildars, who made the settlements with the ryots, and collections from them, under very little superintendence; and thus, partly from the carelessness of these tehsildars, and very often also from their corruption, the revenue declined, while the probability is that the ryots were also pillaged, and abuse perpetrated in both ways.

3160. Do you confine that description of ill management to estates which were intended ultimately to revert to the proprietor?—It applies to estates intended ultimately to revert to the proprietor, but not exclusively.

3161. In those cases in which government, having purchased those estates, may be said to have introduced the ryotwar system, on what principle was the property assessed?—On the principle commonly adopted, that of taking all the evidence that can be obtained of what is the real value of the land; what, from its productive powers, it can afford to pay.

3162. Could that assessment secure the fair rights of the ryots, unless there is a regular survey?—The great difficulty in raising a revenue from the land in India is, the difficulty of ascertaining correctly the value of the land. Approximation is all that can be obtained. The instruction for many years sent from home, and impressed upon the governments of India is, that in no case can more be taken than the rent of the land, without both injustice and permanent injury to the country; not only injury to the individual cultivators, but injury to the government itself. And in all doubtful cases the instruction has been, to take special care to err on the side of lenity rather than on the side of severity; to take less than the rent rather than more.

3163. What proportion of the gross produce do you consider a mere rent?—I think that no proportion of the gross produce can ever be assigned as a standard of rent, because rent depends wholly upon the fertility of the land. In some cases I conceive there is land that may be cultivated, and can afford no rent; there is land that may yield something, but very little beyond what is necessary to repay the expense of cultivation. There is other land that may afford a very large surplus beyond the expense of cultivation. My own conception is, that a good deal of mischief has been incurred in India by supposing that a certain proportion of the produce might with propriety be assigned as a standard of rent or revenue. This was the standard taken by the rude governments which preceded ours. One of its tendencies must have been to
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prevent all but land of a certain degree of fertility from being cultivated at all, and it must have operated as rent most unequally in all other cases.

3164. If this system of the purchase of lands permanently to remain in the hands of the government is to continue, is it not a mode of getting rid of the zemindary system, and of substituting ryotwar generally in those provinces?—If it is persevered in, that would be the ultimate effect of it.

3165. On what principle do you suppose that the Court of Directors gave those orders; was it upon a conviction of the mischiefs of the existing system?—My opinion is, that the Court were merely influenced by the consideration of the ryots, who had been divested of the rights they considered to belong to them; the desire that the ryots of Bengal should be restored to the situation they held formerly, or that now held by the ryots in other parts of India.

3166. Do you think that is quite reconcileable with the declarations of the first government, and with the faith of government to those whom they then constituted proprietors?—I conceive that it is perfectly reconcileable. The original engagement with those proprietors was to give them the benefit of a permanent assessment; but when those individuals who now hold the property have sold it, they are divested of all right and concern in it. The government, who purchases in that case, stands in the place of the zemindar, and holding the land in that capacity, may settle with its tenants in what way it pleases.

3167. Has it not been under the consideration of the Court of Directors whether this plan might not be adopted, namely, for the government, in the case of defaulters, before they put up the estate to public sale, to ascertain in the best mode possible, by survey, the exact rights of the ryots; and having ascertained and defined those rights, then to put up the estate to any bidder, subject to the observance of those rights?—Such a scheme has been under their consideration; but I believe no order has been passed upon it.

3168. Would not that scheme as effectually retain the rights of the ryots, and at the same time preserve the professed objects of the Regulation of 1793?—It might afford protection to the ryots, but the objection that occurs to me upon it is, that we could not take this course without an infringement of the law of the permanent settlement. If the zemindars now hold their land without any restraint respecting the terms they impose upon their under-tenants, the zemindar upon whom government, previous to a sale, should impose the restraint of terms, would be placed under a peculiar disadvantage, in a situation more unfavourable than that of other zemindars, holding under the permanent settlement, who are exempt from restraint.

3169. Does that answer apply to the case of a defaulting zemindar, whose estate is sold in consequence?—I consider that such a limitation imposed upon such a sale must of necessity reduce the value of the estate; nobody will

will bid so high for the estate under an idea of being bound by those terms to the ryots, as they would pay for it if they were not to be so bound.

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3170. Then you mean to say that the government has no means of securing justice for the ryots, except by taking the estate into their own hands?—That is my opinion.

3171. Do you think the two different settlements, the ryoiwar and the zemindary settlement, can co-exist well in the same province?—There is no doubt inconvenience in diversity, and there is advantage in uniformity, but I think the disadvantage may be counterbalanced and overbalanced by advantages of another description.

3172. Where the government enter as competitors, does not the knowledge of that circumstance tend to raise the price of the land?—That is undoubtedly one difficulty in carrying this scheme into effect, and I imagine will be found the main difficulty. It will be to be seen how far in practice it will be possible to contend with that difficulty successfully; it is possible that it may to a certain degree prove a bar.

3173. Have any means been suggested to obviate the difficulty?—It is first to be tried how it operates without helps; one expedient which obviously presents itself is that of concealment.

3174. Would that be possible?—There would be difficulty in it undoubtedly, but I think not insuperable. Local expedients, however, must of necessity be left to the ingenuity of those who are upon the spot, and who alone know the circumstances.

3175. Has there been observed a diminution of competitors since the government came into the field?—We have no information to that effect.

3176. Do the ryots pay in kind to the zemindars?—Not in Bengal; not generally in the British territories. In some instances the reluctance of the cultivators to a money payment has prevented the abandonment of payment in kind; but it has been found subject to so much abuse, and to open a door to so much fraud, both upon the ryots and upon the government, that it is discountenanced as far as possible, and for the greater part now does not exist in the British territories.

3177. Can the government interfere directly to prevent it?—It might make a law to prevent it, because it might resolve that the revenue shall only be collected in money, but they have never done so in any case in which it was reported to them to be exceedingly contrary to the will of the cultivators themselves.

3178. Could they, under a zemindary settlement, issue a law by which the zemindars were compelled to receive money instead of payment in kind?—The permanent settlement is a money settlement as far as the zemindars themselves are concerned; government has not interfered with the payment or the mode of payment of the ryots to the zemindars, and the decisions of the courts have been, that under the terms of the permanent settlement they

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have no right to interfere either in respect to the mode or in respect to the degree.

3179. In those provinces is the payment of the ryots to the zemindars in money or in kind?—In money almost universally.

3180. What amount does the ryot generally give to the zemindar?—That we have no knowledge of.

3181. In cases where there is no agreement between them, is it changed annually?—In most cases it is an annual settlement, unless when the zemindars, as they have done in various cases, have sub-let; that is, contracted with certain individuals for the revenue of a certain number of villages, which contractors become a species of farmers under the zemindars, and collect from the cultivators of those villages.

3182. Do you understand that the zemindars enhanced the rates frequently and capriciously upon the ryots?—The understanding is, that they take from them all that they can get; in short, that they exact whatever they please.

3183. What defence has the ryot against such exaction?—According to what is now the common understanding, and apparently the decision of the courts, they have no defence whatever but that of removal; they may decline to pay what is exacted, and quit the land.

3184. Is there any distinction between cultivators who inherit and those who are annual, what are called *khoddkaust* and *pyekhaust*?—I understand that in Bengal, under the permanent settlement, that distinction is obliterated, and that the ryots in Bengal are considered as mere tenants at will.

3185. Is not it supposed that where opium is cultivated the hereditary cultivators exist to a certain degree?—Where opium is cultivated the condition of the ryots is precisely the same as elsewhere.

3186. Do you conceive them generally to be *pyekhaust*?—They are, very likely, the descendants of the *khoddkaust* ryots, but their right to permanent occupancy, I believe, is now disputed and denied.

3187. Is it in consequence of the default of payment, or oppression on the part of the zemindar, that that change has taken place from hereditary to another occupation?—The impression against the right seems to have been derived originally from the sales. It seems to have been imagined that the auction purchasers acquired the entire property of the soil. When the courts gave this interpretation to the right so acquired, and the idea became established that the ryots had no rights in those cases, the same conclusion appears to me to have gradually diffused itself over the whole.

3188. Has it come to your knowledge that the government of Bengal have directed the opium agents, and their deputies in Behar and Benares, to resist the claims of zemindars to enhance the rates levied by them on lands cultivated with the poppy?—Such directions have been communicated.

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3189. Do you recollect at what time?—It is within a few years, in 1824 I think; the circumstance took place in consequence of an intention to increase the quantity of the poppy grown in Benares, for which purpose it was thought proper to increase the rate of payment to the ryot. It was, however, anticipated, that the ryots would not benefit by this increase, because the zemindar would charge an additional rent, and to obviate this obstruction directions were given to resist the imposition of such additional rent.

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3190. On what principle did the government conceive they had a right to interfere with the demands of the zemindar upon his ryot?—I do not remember that government have stated any particular ground for it. It appears to me that it was a perfectly fair and proper proceeding.

3191. Are the rights now existing between the ryot and the zemindar the same in opium lands as they were in 1793?—That we imperfectly know. The zemindars have gone on dealing with the ryots as they pleased; and one of the unfortunate circumstances of the zemindary settlement has been, that it has shut out the government from a knowledge of the situation of the ryots.

3192. In those opium lands, were not the rights defined more particularly in 1793 in the case of that monopoly produce, than in other cases?—I believe no distinction in that respect was made between the lands that grew the different kinds of crops.

3193. In what mode could the government interpose to protect the ryots from the increased demand of the zemindars on those lands?—They would forbid higher rates to be charged to the ryots for those lands than what had been paid in previous years; for though there is great difficulty, or rather impossibility, in ascertainig what had been paid a considerable number of years back, it might be known what had been paid for those lands for the last year, or the last two or three years.

3194. Suppose the zemindar, in spite of the orders of the Company, levied a higher rate upon the ryot, what was his defence in that case?—The ryot might have recourse to the zillah court, where, if the right of the zemindar to resist was disallowed, the case would be determined; if it were determined that according to the law as it stood the government had no right to interfere, it would then be necessary to make a law. The anticipation of the government in the case now alluded to must have been, that the law as it stood authorized their claim, otherwise they would have begun by passing a Regulation.

3195. In what way would that order affect the proprietary right of the zemindar?—It appears to me that it would not affect his proprietary right in any way whatever; that the sole effect would be to prevent the zemindar from obtaining a share of the monopoly profit, because, if the cultivation of the poppy was free and unrestricted, the value of land on which the poppy

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was grown would be exactly the same as that of any other land of equal fertility under any other crop. When the article was monopolized by government, and its value artificially raised, it could only afford a greater rent than other produce by paying as rent a part of this artificial price, that is, a part of the monopoly profit. That is what the zemindar is not in the slightest degree entitled to by the terms of the settlement. If he were allowed to go on charging an additional rate, it might become impossible for the government to benefit by the monopoly, as his rent might absorb the whole of the monopoly price, and the monopoly would exist for his advantage alone.

3196. Do you suppose the government would have the same right to interfere in any other case as in the case of land producing the poppy?—Not in any case; only in those of a similar description. If they were to make any other species of produce a monopoly, and to raise it to a monopoly price, they would be entitled to interfere to prevent the owner of the land from sharing in the monopoly profit.

3197. You justify the interference of the government in the case on the ground of their having a monopoly of that cultivation?—Yes; it appears to me that from this circumstance, what is properly the rent due to the zemindar is not interfered with, even supposing his claim against the ryot is unlimited. If the rent of the poppy land would be no greater in the case of a free cultivation of the poppy than the rent of any land of equal fertility under any other crop, it follows that when the value of the produce raised upon it is raised merely by the monopoly, any rent beyond what would be obtained from the land under any other crop is merely a share of the profits of the monopoly.

3198. Is it your opinion that the courts would not decide in favour of government if the case were referred to them?—It can be only conjecture on my part what might be their interpretation of the law as it stands, but the government might, in my opinion, without any injustice, make a Regulation to that effect, by which the courts would be bound.

3199. Do you think that in the case of any species of produce of which the government may choose by any law to enhance the value, it has a right, on the ground of such a proceeding of its own, to interfere with the profits which the proprietor may make of his property?—What may be the state of the law in this country in respect to such a question I cannot undertake to say; but I conceive that a law might be made in all cases to that effect without in the least degree affecting the rights of the party against whom it might be supposed to operate, because I conceive that the effect of it would be simply to prevent a participation in the profits of such a monopoly.

3200. What is the actual power that the zemindar possesses over the ryot in the event of his not fulfilling his engagements to him?—He has summary powers of coercion to a considerable extent; for sums of small amount he is allowed to distrain upon personal property; for sums of a higher amount

amount he is allowed to attach the crops upon the ground, and also to arrest the defaulter.

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3201. At the period of Lord Cornwallis's settlement were any means taken to ascertain or to define the existing rights of the ryots?—No means were taken to define or to ascertain them, and much inconvenience has arisen from the precipitate manner in which that settlement was formed.

3202. Do you imagine that the lapse of time that has since intervened would make it now difficult or impossible to ascertain the exact nature of those rights?—That has been the subject of various queries suggested by the home authorities, and has been a matter of anxious inquiry to the government abroad. It seems to be at last agreed, that there are no means in Bengal of ascertaining with any accuracy what are called the pergunnah rates, that is, certain payments which custom had established, and which were looked to, both by the government and by the ryots, as a species of standard; not that the standard was of much advantage to the ryots, for though it was always appealed to, the zemindars and other collectors exercised the privilege of adding cesses (*abwabs*), over and above what was considered the standard; cesses which were arbitrary, and in general went to such an amount as to leave the ryot just enough to carry on his cultivation with.

3203. Has it been definitely admitted by the authorities at home that, under the Regulations of 1793, the government has no power to interfere between the zemindar and the ryot?—It has never been admitted by the authorities at home; and from my present recollection, I should say, there is sufficient evidence that the authorities at home have never acquiesced in the opinion, that by the settlement of 1793 the ryots have no rights.

3204. You spoke of a contrary opinion having been established by the decisions of the courts; will you explain more particularly the way in which those decisions originated?—It is impossible and needless to refer to particular cases. When disputes arose upon the claims of the zemindars, and the ryots thought it necessary to contest them by instituting suits, it seems to have been generally held that the ryot had no remedy against the claim of the zemindar; and when those decisions were confirmed by the *Sudder Adawlut*, they became law.

3205. Was the decision, as confirmed by the *Sudder Adawlut*, founded upon the Regulations of 1793 only?—Such was the Court's interpretation of those Regulations. I may refer to a very important discussion which has recently taken place, and of which the documents will be laid before this Committee, in the selections now preparing at the India House. Mr. Harrington, one of the most instructed and pains-taking of the Company's servants in India, to whom we owe that very valuable book, the *Analysis of the Regulations*, recorded in 1827 a Minute in which he maintained, at much length, that the rights of the ryots were unimpaired by the Regulations of 1793:
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and the draft of a Regulation for the better protection of the rights of the ryots was then prepared by him, and sent home. This proposition of Mr. Harrington's was referred to the Sudder Adawlut, and minutes upon the subject were furnished by the several judges differing in opinion from Mr. Harrington and the other members of the government. Among those judges of the Sudder Adawlut I may mention Mr. Ross, one of the most valuable of the Company's servants, a man of great zeal, probity, and experience, who declares absolutely, that the ryots in Bengal had no rights, and never had any. These documents must be regarded as of high importance; because so direct a difference of opinion among the best informed and most trustworthy witnesses shows in how much obscurity the subject lies. We can only account for such a difference of testimony by supposing, that in the place in which one of these gentlemen had made his observations he found the ryots possessing rights, and that in the place where the other gentleman had made his he found them possessing none.

3206. Did not Mr. Mackenzie make very elaborate minutes upon the subject?—Several very elaborate and important papers of his have been sent home, but I do not remember that they touch particularly upon this point of the rights of the ryots under the permanent settlement.

3207. Was there not a regulation by which the zemindars were required to give something in the nature of a lease to those ryots?—There was a regulation passed to that effect, but under the permanent settlement that has been very little attended to.

3208. When was it issued?—The date of it I do not recollect.

3209. Do you conceive that the ryots themselves, in those instances in which the pottah regulation has been enforced, consider it as a protection?—The evidence which we have received upon that subject is rather conflicting. In many cases the ryots have had an objection to receiving those pottahs; they considered that it was binding them to a particular payment in a way which they dreaded, as exposing them, in years in which it might be altogether impossible for them to pay, to be turned out of their lands; and the thing was novel, and therefore alarming. In other cases there is evidence that they accepted the pottah joyfully, and considered it a protection.

3210. Can you form any opinion as to the proportion of zemindars now enjoying the estates which were settled with them or their ancestors at the period of the permanent settlement?—That question can only be answered very generally, because it is only incidentally that the subject is mentioned in the Records; but my impression is that a very small proportion of those with whom the permanent settlement was made are now owners of the land, very great alienations being made during the first year of the settlement.

3211. Are the greater proportion of the zemindars resident upon their zemindari?—I believe a very considerable proportion of them are non-resident; they are rich natives who live about Calcutta.

3212. Therefore

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3212. Therefore the experiment of creating a landed gentry in India by means of the zemindary settlement may be considered to have entirely failed?—I so consider it.

3213. Have the zemindars been in any way useful in the administration of justice or police?—In general quite the contrary; it has been found in cases in which the police of their districts was assigned to them that it was a source of perpetual abuse, and in almost all cases it was taken away.

3214. Have the home authorities ever admitted that the absolute property of the soil was conveyed to the zemindars by the permanent settlement?—Not in those words; but I imagine the general interpretation is, that the property in the soil was transferred to those zemindars in nearly as full a sense as it is to the holder of a fee-simple in England.

3215. Has it not been held, in the despatches from the Court of Directors, that what was permanently granted to the zemindars was solely a right to collect the revenues, and receive a certain per-centage upon them?—That I should think would not affect the question of the land being held in full property; because in England land may be held in fee-simple, and so transferred, under the obligation of a perpetual lease. One man may have the fee-simple, but a tenant under him the owner of a perpetual lease. Previous to the Regulations by which the settlement was rendered permanent, the zemindars were properly officers of government in many cases, indeed hereditary officers.

3216. Supposing that the right of interfering in behalf of the ryots were now admitted in point of law, do you apprehend that in point of fact it would be possible to replace them upon any thing like the footing upon which the permanent settlement found them, or that lapse of time has obliterated the evidence upon which any interference on their behalf must be founded?—I understand the question to relate chiefly to assessment upon the ryots, whether it would be possible to revert to the assessment that was made in 1793; I imagine that it would not be possible to ascertain what was paid in 1793 with any accuracy, because the putwarry accounts are unworthy of trust.

3217. Do you apprehend that the permanent settlement was originally fixed at too high a rate?—I believe there was great inequality; in some cases it was found very early that the zemindars, without any apparent misconduct on their part, were unable to pay, but those failures were only partial, and I imagine it was only in a smaller number of cases that it could be considered as excessive at the time of the permanent settlement.

3218. What is the law of descent as to zemindaries?—It is the common law of descent of the party; if the zemindar is a Mahomedan, it is according to Mahomedan law; if he is a Hindoo, it is the Hindoo law.

3219. What is the Mahomedan law of descent?—The law of equal division holds both with respect to Mahomedans and with Hindoos, with this difference

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difference, that the Mahomedan may will his property, which the Hindoo cannot. Wills are recognized by the Mohamedan law, but they are not recognized by the Hindoo law.

3220. Do the zemindars in general will their property to one son?—I think it rarely happens, and in general there has been much subdivision.

3221. And that subdivision has probably given rise to much litigation?—I am not aware that that particularly has given rise to litigation, but it may have happened without its being known to me.

3222. When a zemindary descends in that way to a number of sons, does each generally take his own share, or do they administer it in common?—The views of the family, of course, determine that point, and there is much diversity.

3223. Does not the course of succession vary in the different provinces?—I believe there is very little difference in the general principle; there are modifications according to the customs in different places.

3224. Do you apprehend that the practice of willing to the eldest son is increasing or decreasing?—I have no evidence to that point.

3225. Since the revenue settlement, has any survey been made of the lands, or any registry taken of the right of the occupants or proprietors?—There has been no survey in Bengal, except partially for particular purposes, nor registration of the different classes of occupants.

3226. Do you think it possible for the Court of Adawlut to define and adjudge the rights of the ryots, of the zemindars, and of government, in lands and villages, without a registry to refer to, and can that registry be formed in any manner so satisfactory as by its being made by competent persons, aided by local information?—I conceive that a survey is one essential ingredient in ascertaining what accurately belongs to the individuals in a particular district, and also the value of the different kinds of the land for regulating the assessment.

3227. Do you not think it is essential for the decision of questions connected with the rights to such lands?—It would be competent, and the duty of the court, if questions arose respecting a particular village where there was no registry, and where there had been no measurement, to take such evidence as the circumstances of the case would afford. It might be necessary for it in that case to order a survey and measurement to be made as far as concerned that particular question. It would take evidence upon the spot with respect to the different rights of individuals, and according as it ascertained them by the evidence that was within its reach, so it would determine; but it would be a particular inquiry for a particular occasion, and in truth that is what is necessary to be done in India generally; because the laws in India are the customs in India. The books afford little or no guidance, rather misguidance. The judge in India has a double function; he has to take evidence with respect to the law to ascertain the custom of the place; and

and he has to take evidence (all that has to be taken in more fortunate circumstances) as to the matter of fact.

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3228. You stated that it was the opinion of Mr. Harrington that the rights of the ryots were unimpaired by the Regulations?—Yes.

3229. Does it appear to you that those rights had, at the period he gave this opinion, been fully investigated, and that they were minutely understood?—They had not been fully investigated, nor were they minutely understood, for there was not only a diversity, but direct contrariety of opinion between some of the most experienced and intelligent of the Company's servants in Bengal.

3230. You stated that the government had directed their servants to interfere to resist the exaction of increased rents upon lands producing the poppy; have they ever interfered to encourage the cultivation of the poppy?—No otherwise than by offering an enhanced price to the cultivators. The poppy is raised by voluntary cultivation, contracted for every year. There is no forced cultivation; the agents publish the terms which they will give for such an amount of the article, and the cultivators who intend to engage with them send in their tenders for affording such and such quantities; and having contracted, they in general receive an advance of money to enable them to defray the cost of this expensive cultivation.

3231. Must not that operation tend to regulate the rent of the land, according as the terms offered by government are raised or lowered above or below those which would be produced by the cultivation of any other article?—If the zemindars were allowed to raise the rent upon land so cultivated, it would enable them to derive something beyond the rent: to obtain a portion of the monopoly profit. It would have no effect whatever upon the rent of the rest of the land, because the value of the rest of the land would depend upon its value under the cultivation of rice, or the principal article which is raised for the food of man.

3232. Is it the best soil that is usually appropriated to the cultivation of the poppy?—Yes, it requires the finest soil.

3233. Is it considered an exhausting crop?—They make no distinction between exhausting and not exhausting in India.

3234. Is there any fixed principle upon which they offer encouragement to raising the poppy?—A general estimate is made of what it can afford to be raised at; the old prices, to which an addition was recently made, have been found quite sufficient to induce the cultivators to produce the quantity of opium that had till then been thought advisable to have produced; afterwards, when it was found advisable to have a larger quantity produced, the proper method was thought to be to offer an additional price.

3235. Are you not of opinion, that if the cultivation of the poppy, and the manufacture of opium, were left entirely free, it would tend infinitely more to the advantage of the landholder, and the ryot, than by the system now

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adopted?—I think not in the least; I think if it were left free, the effect would be entirely the same with respect to both landlords and ryots.

3236. Would not in that case the ryot have the power of demanding such price as he could obtain in the open market for his article?—I think if the cultivation of opium were perfectly free, the price of opium would sink so as just to remunerate the cultivator for producing it, in the same manner as the price remunerates him for cultivating rice or any other produce that is raised in freedom. At present the price of the opium is kept up to an artificial height.

3237. Are you aware of any interference having taken place with reference to the rent upon land producing grain or any other article?—Not any.

3238. Then you consider that they have a right to interfere between the landlord and the ryot in certain cases which suit their own purposes?—Not in certain cases which suit their own purposes, by any means, because it might suit their own purposes to interfere in all cases; but it appears to me that where a particular article is subject to monopoly, and that article is raised to an artificial price, it is competent for the government to prevent the owner of the land upon which that particular produce is cultivated from sharing in the profits of the monopoly.

3239. Are you aware of such a system existing in any part of this country, or in any other parts under the dominion of the British Government?—I do not know any other case in which these particular circumstances occur; I do not know any place in which any portion of the produce of the soil is erected into a monopoly, but I can conceive cases in which it might be. The cultivation of tobacco, for example, is altogether prohibited in England, but it would be possible enough to allow certain portions of it to be raised in particular districts, and to be monopolized by the government; to be raised precisely on the same principle as the opium is raised in Bengal; and it appears to me that it would be no infringement of the rights of the owners of the land to prohibit them by a similar law from sharing in the profits of the monopoly.

3240. Are you aware whether under the Madras government there are regulations to the same effect?—The opium is not grown on the lands under the Madras presidency.

3241. Have the zemindars ever objected to the growth of the poppy upon their estates?—Never.

3242. Then they do not consider it to be detrimental to their estates?—Not in the least.

3243. Is it compulsory?—Not at all; it is by voluntary contract.

3244. Have you formed any opinion as to the proportion of the land of Bengal that has come under public sale, or could you obtain such information?

tion?—I imagine not to any great degree of accuracy; an approximation may be possible.

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3245. Of what class of persons generally are the buyers at those sales?—For a considerable period many of the buyers were the officers of the zillah and provincial courts, who had acquired riches by their practice, and not unfrequently the native servants of the collectors. When that came to the notice of the government and afterwards to the notice of the home authorities, and the practice was inquired into, it was found to have been productive of various abuses, and to open widely a door for their admission, measures were therefore taken to prevent it, and a law was passed which prohibited the officers in the courts of justice, and the servants of the collectors, from being bidders at public sales.

3246. When was that regulation?—It is Regulation VIII of 1819.

3247. Has any case come before the Court of Directors giving any reason to imagine that, directly or indirectly, any of the English collectors have had any concern in the receipts from the estates sold?—I know of no such instance.

3248. Does it ever occur that instead of proceeding to the extremity of a sale, a new arrangement is made with a defaulting zemindar, whose estate may have been originally too highly assessed?—I am not aware of any instance in the case of a sale. The land is not brought to sale, but the assessment is reduced where it is known to be too high. There is another set of cases in which an interposition has been attempted to be made: it sometimes happens when a zemindar falls into arrears, becomes deeply involved in debt, that he anticipates the extremity of a sale, to which government, for various reasons, has been exceedingly averse to proceed, by praying the government to take the management of the estate, allowing so much for the maintenance of the owner, and to keep it in their hands till the debts are paid, when it may be restored again to the zemindar. This has taken place in a variety of instances; and a suggestion has been made from home that upon those occasions government should stipulate beforehand, with the person whose estates they thus undertook to nurse, for the making of settlements with the ryots, and giving them pottahs which shall protect their rights in all times to come, and that they should make this the condition of undertaking the management. The practice I speak of has been nearly confined to Madras.

3249. Do you think it would be possible to make such an arrangement in Bengal?—It would be possible in those cases in which the zemindars thought proper to make some proposition to government. If they preferred a petition to government to undertake the management of their estates, it would be competent for the government to make the same proposition to them, but that rarely happens in Bengal.

3250. Might not such a proposition be made from the government to the zemindar

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zemindar, upon the zemindar being in a situation to require the indulgence of government?—No doubt it might, and it might be an additional expedient to what has been already mentioned.

3251. You have stated that certain portions of land have been purchased by the government, and thenceforward administered by the government officers, who made agreements with the ryots themselves without the intervention of any middle-man. As you have stated before that there are several modes of ryotwar system, are the Committee to understand that all those estates so purchased have been administered in one uniform system?—They have been administered in detail with the ryots; a settlement has regularly been made with the ryots for one or a certain number of years, and the collection made from them immediately, without any middle-man.

3252. Has there been any permanent maximum established, as in the case of some of Sir Thomas Munro's settlements?—No permanent maximum, and no field assessment, the assessment has been upon the ryot personally.

3253. You mean that the ryot has been called upon to pay a certain amount for his whole holding, without any reference to the proportion of his land which he actually cultivated?—Precisely so; it is an estimated value of the whole.

3254. It is presumed that in none of those estates has any settlement been made with all the ryots of the zemindary, but with each individual ryot?—Yes; except in the case of estates held in joint tenancy, where a purchase has been made by government, in which cases it is made in preference, they being considered cases of the greatest hardship; because the default occurring most commonly on the part of only a few of the leading individuals, who manage for the rest, when the estate is sold on account of this default, the members of the partnership who had not been in arrear are deprived of their property.

3255. Are you speaking of joint tenancy among zemindars, or among the ryots?—Not among zemindars, but among the immediate cultivators, the ryots.

3256. In fixing the amount of the assessment upon those ryots, in those districts, is any reference had to the rate paid by the neighbouring ryots, or is it simply the value of the estate that is looked to?—One of the circumstances taken into account as evidence of what the land can afford to pay is what is actually paid by neighbouring lands; but what is paid by neighbouring lands is only taken into account as part of the evidence by which the real value of the property is ascertained, and not at all in reference to the right of the ryot.

3257. Where a pottah is given, to what number of years does it usually extend?—It is various; sometimes it is from year to year; five years have been common, indefinitely renewed.

3258. Have you occasion to know whether under that system the condi-
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tion of the ryots has appeared happier and more prosperous?—There is little evidence to that effect.

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3259. Is there any record or evidence that has come under your observation that enables you to judge, during the thirty-eight years which have elapsed since the introduction of the permanent settlement, of the degree of partition of soil that has taken place by individual inheritors sharing according to the Mahomedan or Hindoo law?—Not any particular evidence; it is only a species of conjecture that can be formed, as far as any evidence exists upon the records. The fact would appear undoubtedly in the collector's accounts, because in proportion as the estates are subdivided, the names of the parties entered as responsible for the revenue will be multiplied.

3260. From the evidence that has come under your observation, have the suits to which you have alluded, and the complaints of the ryots, prevailed most in those countries that have been long settled, or in those which have more recently come under the permanent settlement, such as those higher up the country?—The complaints of the ryots against the increase of the assessment have been entirely silenced by the decisions of the courts, for they have been told that they have no remedy; the complaints against exaction or extortion by subordinate people are frequent, and the collectors have been invested with judicial power for the summary investigation and decision of those suits.

3261. Are you able to make any distinction between countries that have been longer settled, and others that have been more recently settled?—No.

3262. Are the cases numerous in which the Company have become repossessed of the right of the soil in the way you mention?—No, by no means numerous; because the instruction has only been recently conveyed in a peremptory form; and when at first, it was a mere suggestion, the Bengal government made several objections to it.

3263. Have you in your recollection any instance of an increase of revenue accruing to government from this plan?—I do not know that we have yet the accounts of any estate that has been transferred in that way.

3264. Did not many of the zemindaries that were settled in 1793 contain a considerable portion of waste land?—Many of them a great portion of waste land.

3265. Have the zemindars been permitted to cultivate that waste land, without any further assessment?—Without any further assessment.

3266. Has not that been a matter of considerable controversy?—Not any controversy as far as they have been allowed to cultivate, because no interference has ever been made with them. The consequence has been that the value of those estates, where waste land susceptible of cultivation has been cultivated, has greatly increased, which is to a great degree the reason of the very great diversity in what appears to be the value of the estates, the number of years' purchase that one estate sells for beyond another.

3267. Has

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3267. Has it been admitted without qualification, by the governing authorities, that the zemindars had a right to cultivate those waste lands without further payment?—There is a question whether the government had any right to limit that cultivation; what has been supposed to determine the point is the question, what was naturally, according to the just interpretation of the law of 1793, to be considered as included within the limits of an estate. If there is any portion of waste that by no proper construction, at the period of the permanent settlement, could be considered as within the limits of that estate, it is held to be the property of the government; but the government have compromised the question, and as it appears to me in a very liberal manner. They have come to a resolution, that even though the property in the waste might be considered as doubtful, if it is a moderate quantity, lying between one estate and another, it shall be considered as the property of the zemindars, according to an equal distribution among themselves; but where there is any vast portion of waste, comprehending a considerable portion of country, which lies distinct by itself, and is only bordered upon by a zemindary, as it cannot with any propriety be considered as coming within the limits of any estate, it is held to be the property of government; but even there they have come to a farther compromise with the zemindars, that as far as the zemindar has cultivated any portion of that waste, it shall be regarded as his own property, as much as any other part of his zemindary; and not only so, but that such a proportion of waste as is in general annexed to cultivated land, shall be considered as his in addition; but beyond this, that a line shall be drawn, and the rest shall remain the property of the government, to be disposed of as they shall see best.

3268. Was there not a considerable dispute, at various periods, with regard to the extent to which the zemindars had a right to take the waste?—There were doubts in regard to those cases where there was a portion of waste surrounded by different estates. By a liberal construction of the permanent settlement, it might be considered that it belonged to the zemindars whose estates surrounded it, and so the government have allowed it to be considered. The only case where they have now drawn a distinction, is that of large tracts of waste country that stand by themselves, as the Sunderbunds, for example.

3269. Were not the instructions from this country to treat the zemindars with the greatest liberality upon all those occasions?—Entirely so.

3270. Has it not been held by some of the zealous supporters of the permanent settlement that government could not, in any part of Bengal, Behar and Orissa, without an interference with the rights of the zemindars, make any other than a permanent settlement?—Yes, that opinion has been held.

3271. Has that opinion been sanctioned by the authorities at home?—Not at all.

3272. You state that when government have purchased the interest which the zemindar had in any estate, a settlement was made with the ryots individually,

vidually, and a gross sum was collected from each ryot; did that gross sum include both the government revenue and the rent which previously to the sale was paid to the zemindar?—It includes the whole of what it is understood to be equitable that the ryot should pay.

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3273. Is there any distinction kept up in those cases between the two payments?—No distinction is kept up.

3274. You were understood to state, that in your opinion the ryots originally had rights; if that be so, although those rights may be difficult to be ascertained, it is presumed they cannot be lost?—It is understood that practically they have been destroyed by the interpretation which the courts have made of the law of the permanent settlement.

3275. Which decisions, you were understood to say, arose out of a particular case?—They have arisen from a great variety of cases. What I stated was, that a class of cases appear to me to have given the beginning of the understanding that the rights of the ryots were granted away by the law of the permanent settlement, and that the zemindars were made sole proprietors of the soil.

3276. Are those decisions considered conclusive?—They are considered at present to be conclusive, because the consequence is that the ryots are now considered as tenants at will, and subject to no limitation in respect of the demand that may be made upon them by the zemindars; and if a law were made to establish a right of permanent occupancy in those ryots, there would be a great outcry on the part of the zemindars, and they would complain that the law of the permanent settlement had been violated.

3277. Are you not of opinion that the ends of justice would be more completely answered by the interference of government to maintain the rights of the ryots, than by leaving the ryots at the mercy of the zemindars?—It would be a choice of evils: if you take the numerical amount, it is of more importance that the rights of tens of thousands should be reinstated than that the rights of a few should be confirmed; but according to the present interpretation of the law, the zemindars, I think, are entitled to consider the power they exercise as their right.

3278. Before those courts had put that interpretation upon the law, you were understood to say that the ryots were considered to have the right?—That is my opinion, and the opinion also of very instructed men; but I also stated that it was the opinion of other instructed men that they had not those rights.

3279. Do you mean that the ryot was the original proprietor of the soil?—I should not say that, because I am exceedingly anxious, with regard to India, to avoid the term proprietor of the soil; I think a great deal of misconception has arisen out of the use of that word.

3280. Do you think that the ryot has abandoned the idea of having the right,

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right, or that he feels it a grievance?—I have no doubt he feels the grievance severely, but he submits to the law of necessity.

3281. Did not the mere inquiry into the rights of the government over the jungle lands, occasion much alarm amongst the zemindars of Bengal, and were not numerous petitions, submitting that such an inquiry was a violation of the permanent settlement, presented to the Governor General?—The zemindars are never very slow in taking alarm, and they are never very scrupulous in sending petitions, but I think there never was any occasion for alarm. There were two circumstances that may have given occasion to some alarm on their part, and probably the question refers to them. A resolution was adopted by the government in 1819, and a regulation passed for the purpose of inquiring into such lands in Bengal as were held rent-free, without a valid title. That regulation, and the attempt to make that inquiry, did produce considerable alarm among them, because they knew perfectly that they did hold a large proportion of land without any valid tenure; there was a great deal of concealed land that had never been brought to account.

3282. Are the Committee to infer from the answer you have given, that it is your opinion, that there did not originally exist in India any absolute exclusive property in the soil, in the same way that it exists in Europe?—I am glad that question is put, because it relates to a matter which appears to me to be at the foundation of almost every difficulty in the inquiry into this great subject, and that by not attending to it much confusion has been incurred. I conceive that generally, at one time, the lands in India were occupied by ryots who had a right of perpetual occupancy; they were the hereditary tenants and cultivators of the land; I conceive that from them the revenue was collected by the officers of government, and that to the demand of government there was no limit. By long practice there was something established that was considered to be a kind of standard, beyond which the government would not readily go, but it was always understood that the government had a right to go as far as it pleased. I fancy that government never went to less than the full rent of the soil, and in those cases there were but two parties really connected with the land: there was the mass of immediate cultivators, holding by right of perpetual occupancy, who could not be turned out as long as they paid the rent demanded of them; and there was the government, which I conceive always obtained a complete rent. It frequently happened, from the disposition to collect the rent in a summary manner, that middle-men were interposed in the shape of mere renters; a certain district was rented, and the man held it only for such a length of time, as he was entitled by his lease. In Bengal and in various other places the summary process was carried to a considerable extent, and men of eminence and men of family acted as revenue managers of considerable districts: from the tendency in India of almost all things to become hereditary, those zemindari's often continued from father to son, and in that situation we found the zemindars under the previous governments. There were also many cases in which the government gave away the rent of the land

land; they created jaghires, which were estates for life, in which a portion of land, sometimes a large portion, was given to the jaghirdar for his life. There were other cases in which those grants were perpetual (*istumrarce*), hereditary in the families to which they were given. Besides these cases, the very summary and the very detailed, there were other cases of an intermediate sort, where the collection was by villages, and where the head of the village became a sort of hereditary collector. But it appears to me from these circumstances, that, properly speaking, there were but two parties really interested in the soil; the usufruct was shared by the hereditary cultivators and the government. Where exceptions occur they are cases that the government has made by its own act.

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3283. Although it may be right not to use the term proprietor in speaking of those rights in the lands in India, do you not conceive that the situation of the ryot is substantially that of a proprietor of the land, liable to the payment of a tax to government, and to a summary process for the payment of the tax?—There is no doubt that, in one sense of the word, it is a property; but I should think it might be more properly expressed by saying that he has a property in the land, than that he has the property of the land. There is no doubt that he has a property in it, because he has a right of perpetual occupancy, and the right of cultivation, subject to the demands of government.

3284. Taking for granted that the ryot stands in the situation in which you describe of having an indefeasible right to cultivate the land, and being able to part with his right to cultivate the land, and being subject to no other interference with his rights in respect of that land except the payment of a tax to government, how do you distinguish between the substantive character of rights like these and the rights of a proprietor?—This case is distinguished rather by the degree of interest than the solidity of the right: the real beneficial interest of a proprietor of land under an European tenure may be considered to be measured by the rent he can obtain for it; but in the case of the ryot, the person whom you would call the proprietor has none of the rent, nor is entitled to it.

3285. Would it have been allowed under that system, in cases where the ryot was in communication with the government without the intervention of a middle-man, that the ryot should lease his right of cultivation to any one beneath him?—Yes, that is frequently done, and that constitutes the distinction between *khodkhas* and the *pyekhas* ryots; such a ryot had undoubtedly the power of employing other ryots who had no right to the land under him on any terms he thought proper.

3286. When he had placed his land in this situation, was not he to all intents and purposes in the situation of the proprietor of the soil, paying a tax to government?—Only that he had a very limited interest.

3287. Did not he receive a rent?—It was very rarely that he received a rent; those people were commonly his servants or labourers, and when he

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assigned a particular portion to them (it was a sort of tenure that existed in Europe formerly), he had in general to advance the capital with which those people cultivated.

3288. The question did not go to the practical operation of the system, but as to the theory of it?—I think it is rather a question about the meaning of a term, whether you would call this holding of the ryot an absolute property in the land; I think, according to the usual meaning of the word in England, where the ownership of rent is in reality the beneficial interest of the owner of the land, you can hardly call the ryot, in the same sense, the owner of the land, seeing he is not the owner of the rent at all; and there is a peculiarity worthy of remark in the cases in which the casual and perpetual occupants hold under the government, that the perpetual occupant pays the larger rent of the two, his lands are more highly assessed.

3289. Does not the question resolve itself into this, that the word proprietor has been the main cause of the dispute upon this subject, but that in fact the situation of the ryot in respect of his land is substantially that of a proprietor of land, paying a tax to government?—I should say that the property of the land was shared between the government and the ryot.

3290. Are the Committee to understand that the right of the ryot is a right of perpetual occupancy, subject to an indefinite demand upon him, and that he has no controul whatever over the extent of the demand that is to be made upon him?—None, but his ability to pay.

3291. Are the Committee to understand that the ryot has the power of transferring his right of perpetual occupancy, without any limitation?—Without limitation, as the general rule.

3292. You stated that, under the former governments, the full rent was usually collected from the ryots; would not a fair rent seem to be a proper discharge of the demand of the government?—No doubt; and that is the only equitable demand, because if you go further than that, you tax the capital and the labour of the cultivators, and it would therefore be a partial tax.

3293. In those countries in Bengal in which the permanent settlement has been carried into effect, has any peculiar facility been given to the collection of the revenue?—There is all the facility of the greater summariness; it is an easy matter to collect the revenue from a few scores of zemindars, and it is very difficult to collect it from thousands of ryots.

3294. In those countries which are under the permanent settlement, is the value of the land increased or decreased?—The only fact from which an answer to that question can be derived is the amount obtained on the sales of land; there can be no doubt that in a great many instances the value of the land, in that sense of the word, has increased; a greater number of years' purchase is fetched by a great many estates; but that, in by far the greater

greater number of instances, is owing to the increase of cultivation, by extending it over the waste.

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3295. Has the permanent settlement tended to extend the cultivation?—I do not think the permanent settlement has had any such tendency, because I consider that it has operated injuriously upon the mass of the people.

3296. What has been of late years the number of years' purchase of land?—The difference is so great as will be considered surprising, as it has often been considered by the authorities at home; it is sometimes a few years, five or ten, and in some cases as many as one hundred years' purchase. It is computed upon the assumed zemindar's share. At the formation of the permanent settlement his share was understood to be one-tenth of what was collected from the ryot, the share of the government being nine-tenths, and this one-tenth sometimes fetches a great many years' purchase.

3297. You stated that you thought the old governments collected a full rent; do you consider the rent under the permanent settlement to be nearly a full rent?—I have no doubt that what is collected by the zemindar from the ryots is a full rent; there is reason to apprehend that it is more.

3298. To what do you ascribe the ruin of so many of the principal zemindars since the period of the permanent settlement?—In many cases it is very difficult to ascertain; their own habits of improvidence are extraordinary, that is a well-known fact, and in a vast number of instances it may have arisen from that. There are certain cases of alienation which have required strong measures on the part of government, cases in which the native servants of the collectors, before the operation of the permanent settlement was distinctly understood, contrived to effect fraudulent balances on the part of those zemindars, and obtained the sale of the lands, they themselves becoming the purchasers. That happened in a very considerable number of very remarkable cases in Allahabad, Cawnpore, and Gorrockpore, and gave occasion, after the circumstance was brought fully to the notice of the government, to the very strong interposition that was made by Regulation I, of 1821, when after a number of years a commission was appointed to revise the whole of those settlements, to set aside all those in respect of which fraud could be discovered, and to restore the estates to the original owners.

3299. In your opinion, would not the produce of India be greatly increased by an adjustment of the rights of the ryots; in short, by their being less oppressed?—I have no doubt that it is through the ryots, and by giving a proper protection to their property and to themselves in the exercise of their industry, and through that mainly, that the improvement of India must take place.

3300. Are there any trust-worthy records of the period in which the ryots and the government were in direct communication?—Of the fact there is, over a great part of India; of the details not. In regard to Bengal, as far back as we can trace, at least for the whole period of the Mahomedan

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government, it appears to have been under the summary management by the intervention of zemindars.

3301. Do you mean to say that under the Mahomedan governments, in those provinces of Bengal which have come into our possession, there were not those village and other officers which are found to pervade every other part of India?—I have no doubt that there was a village community and a village establishment, and something on the same footing in Bengal, as there was every where else.

3302. Do you conceive that at those periods at which the ryots and the government were in immediate relations to one another, that intercourse was conducted through regularly constituted authorities of that description?—In those cases it must have been conducted immediately, perhaps with the heads of villages, through the agents of government; but it very often happened in those countries, before they came into our possession (in the Mahratta country for example), that they had been rented in very large districts to individuals, and had been exceedingly scourged and desolated. In general it appears to me that the native, the Hindoo governments, collected by villages; that some head man of the village, appointed by the village, was allowed to transact for the rest, and that it was rarely done in a more summary manner.

3303. You have stated that the Court of Directors have sent out orders to purchase the estates which come for sale, and before they grant them again, to defend the rights of the ryots; what was their object in desiring that to be done; the happiness of the people, or the increase of the revenue?—Clearly the happiness of the people, because according to the general statements of the Bengal collectors, those detailed settlements with the ryots would rather produce a decline of the revenue to the government, and still the government pay for the estates.

3304. Is it not probable that the zemindar to whom it was granted, with those rights reserved, would not give so high a rent as he would have given otherwise. I conceive he would not pay the same rent for the estate so restricted as he would without those restrictions.

3305. Have not a great many judicial questions arisen in consequence of the change of property under the permanent settlement?—There have been, no doubt, a variety of suits instituted on the score of suspected fraud.

3306. Has there been great delay in the decision of those suits?—A delay in suits of all kinds has been the general complaint as to the administration of justice.

3307. Supposing that the property of an estate is in dispute, what course does the government take in the mean time for collecting its revenue?—The estate is still in the actual possession of some individual, and whoever is in possession is looked to for the revenue.

3308. Is

3308. Is the revenue of those provinces collected by a certain number of English collectors, being Company's servants?—Yes.

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3309. What is generally the extent of a collectorate?—There are thirty-three collectorates for the whole of the lower provinces; those districts are sometimes of a great extent, and sometimes of a less. The general understanding that has lately been come to is that a collectorate should not exceed the amount of twelve lacs of rupees of collection.

3310. Has the collector any European assistants?—Not in all cases; he may have half-castes for writers, and also Europeans, but the officers of the collection, the tehsildars and others, are natives, and most commonly Hindoos.

3311. Is it not the tehsildars who actually receive the revenue?—They receive the revenue and account to the collector for it, except in cases where it happens that any zemindar or other party owing revenue to government pays it at the collector's office.

3312. Are there many instances of defaults of those tehsildars?—Not many, because they are all required to give security.

3313. In what manner is the collector remunerated?—By salary entirely.

3314. Are there not some of the collectorates in which there is an assistant-collector?—There are assistant-collectors in most cases: the system has been adopted at Madras, and has been recommended strongly by the home authorities to Bengal, but not generally adopted by them, of employing principal collectors in a large district, with sub-collectors, sometimes one, and sometimes more than one, under him.

3315. From what situation is a gentleman usually taken when he becomes a collector?—He is of the class of the Company's servants who are denominated writers; they are frequently attached to collectors without any peculiar denomination; they are placed under him by way of training, and he employs them in any way he likes best; in other cases they act with the name of assistants.

3316. Then in fact it seldom happens that a gentleman is appointed collector without having had some experience in revenue matters?—I should say never.

3317. How is the salary of a collector in reference to that of a zillah judge?—The salaries of the collectors were for some time inferior to that of the judges, but they are now regulated upon a scale which is considered to assimilate the two.

3318. Do the young gentlemen that you have denominated as writers, in going out to Bengal, after they have passed the college and the necessary examinations, enter generally the judicial or revenue departments first; is it a regulation that they must enter the revenue department first?—No.

3319. What do you understand to be the shortest period after arriving in India

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India at which a gentleman has some probability of being appointed a collector?—A good deal will depend upon the qualities which the individual shows; if he shows aptitude he would be appointed earlier than one who does not show any such aptitude; but I should say that four or five years pass at least before he can have that trust reposed in him.

3320. You explained, in your former examination, several varieties of the ryotwar settlement; are you acquainted with the settlement of Mr. John Sullivan in Coimbatore?—Yes; the settlement made by Mr. Sullivan in Coimbatore proceeded principally upon the plan of Sir Thomas Munro's ryotwar; it was a field ryotwar.

3321. Were there not particulars in which that settlement differed from every other settlement that has been made?—What occurs to my recollection at the moment is this: that he adopted, in a considerable number of cases, what they denominate in that part of the country the putcut plan of ryotwar. This putcut did not supersede the field survey and the field valuation; but after the field survey and the field valuation were made, one sum was assessed upon the ryot for the whole of his holding, and he engaged to pay it for a year. According to the working of Sir Thomas Munro's ryotwar system, a species of settlement is to be made with the ryot annually: every year, before harvest, his crops are surveyed, in order to ascertain whether he will be able to pay the maximum for that year, or whether an abatement must be made, and to what extent. Now this species of valuation in regard to the putcut took place as well as in regard to those cases in which the assessment was made by the field mode, and the reason for assessing it all in one lot was that the ryot might not be in the least degree restricted in the mode of cultivation.

3322. Under that putcut settlement was there, under any circumstances, any remission of the rent?—Wherever remissions were required they were granted in that case as in all others.

3323. But that only under special circumstances?—It was only done in reference to special circumstances.

3324. Did not the ryotwar settlement in Coimbatore have a fuller experiment, being more continuous in its duration, than any other ryotwar settlement that was made in the Madras presidency?—It was made with great care; but I should not say that it has had more continuity than in Bellaray and Cuddapah, because there has been no interruption since it was originally made in those districts by Sir Thomas Munro.

3325. You are aware that Sir Thomas Munro recommended making an abatement of from 25 to 30 per cent. upon the maximum fixed by the survey and assessment, in order that those who had hereditary rights, or an usufructuary claim on the soil, might have a real and saleable property?—Sir Thomas Munro became convinced that the assessment that he had originally fixed in those two provinces was too high, and he recommended the abatement which has been now mentioned.

3326. Do

3326. Do you know whether Sir Thomas Munro, before he came to England in 1807, settled a part or the whole of the Ceded districts?—It is very likely that he had only settled a part, but I cannot charge my recollection as to the fact.

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3327. Did the putcut settlement include a permanent maximum?—It did include a permanent maximum: the putcut system appeared to me to be recommended very strongly by its opposing no obstruction to change of crops, or implying any peculiar tax upon a peculiar kind of produce, which was one great object of Mr. Sullivan in having recourse to it. A considerable proportion of the land in Coimbatore is what is there called well or garden land, and by well-land they mean not exactly land that is fructified by waters of a well, but land that bears a particular species of crops; and the practice of the district was, that lands bearing particular kinds of crops were more highly assessed than lands bearing other crops. He considered this as being tantamount to a tax not upon the land, but upon those particular kind of crops; and to obviate that particular inconvenience he had recourse to the putcut system, which appeared to me a great improvement. In other places, however, objections have been made to it; and it has been stated that the mode of taxing more highly particular kinds of crops might be avoided, and the inconveniences of the putcut also obviated, because, from the poverty of the ryots in a great many parts of India, any lumping assessment for the particular holding amounts in reality to no rule to go by, because the sickness of any individual of a ryot's family, or the loss of a bullock, may disable him from cultivating in one year more than half of what he had cultivated in another; the recurrence of a bad season affects him in the same manner; and therefore if the ryots are charged for a certain amount of begahs, there is no practical rule; nothing can afford this rule in a tolerable degree but an assessment upon the field, and then they pay for the field that they actually cultivate. Those are objections that have been made to the putcut system by other collectors, when it was recommended as a general measure.

3328. How long has that existed in Coimbatore?—I should say nine or ten years.

3329. Has the revenue been collected pretty closely under that system?—Yes, exceedingly well collected.

3330. Then it may be said to have succeeded in that particular district?—I should think so.

3331. How would they get over the difficulty of taxing the quality of the crop, and the inconvenience of the putcut system?—They proposed that the consideration of the particular kind of crop should be altogether omitted, and nothing considered in assessing the land but its fertility and natural power of producing as applied to ordinary crops.

3332. In what year was it that Mr. Harrington gave an opinion that the rights

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rights of the ryots were unimpaired?—I think his minute bears the date of 1827.

3333. What situation did Mr. Harrington fill at that time?—Mr. Harrington at that time was a member of the council in Bengal.

3334. Are you aware that many of the ryots, under the ryotwar settlement at Coimbatore, have acquired property?—I am not aware of that.

3335. After Sir Thomas Munro had gone home in 1807, having settled part of the districts, do you know how long the system of ryotwar continued in the Ceded districts?—I rather think it has continued unintermittingly.

3336. Are you aware that a new system was introduced by government wholly superseding the ryotwar system, within a few years afterwards?—The government attempted to introduce village settlement, and village settlements for three years were introduced to a considerable extent; but according to my present recollection I should say that they did not extend to Bellary and Cuddapah; however in that I may possibly not be accurate.

3337. Are you aware of a report made by Sir Thomas Munro and Mr. Sullivan, by which it appears, that from the system of collecting the rents in Coimbatore, the ryots have sustained a loss in four years of the sum of four lacs and 55,000 rupees, by being deprived of the rent which was intended to be paid?—That relates, I imagine, to a scene of very gross abuse that took place in Coimbatore previous to the period of Mr. Sullivan being appointed collector, which abuses Sir Thomas Munro and Mr. Sullivan were deputed to go to Coimbatore as commissioners to enquire into; that was previous to the introduction of the ryotwar system.

3338. Are you aware that Mr. Sullivan has further shewn, in his report to the Board of Revenue, that the people of Coimbatore had just caused a complaint against government for their interference in their cultivation and disposal of tobacco, after having permanently fixed the land assessments; and that he observes, to make free markets and free prices, and unrestricted cultivation, the data for assessing lands, and then to shut the markets, regulate the prices, and restrict the cultivation, was surely to trench upon private rights, and to violate the public faith?—That relates to another subject, which will probably come under consideration; making a monopoly of the tobacco grown in Coimbatore, which scheme of monopoly Mr. Sullivan strenuously resisted.

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JAMES MILL, Esq., again called in, and examined.

3339. WILL you have the goodness to state what you conceive to be the advantages and disadvantages of the respective systems upon which the land revenue is collected, beginning with the zemindary settlement in the Fort William Presidency: what do you conceive to be the conveniences and the inconveniences of that settlement?—The most obvious feature of advantage is the facility of the collection. It is a much more simple thing to obtain the revenue of a large district from a certain moderate number of zemindars, or contributors, than it is to perform the collection in detail by the officers of government themselves; and another advantage undoubtedly is, the greater degree of certainty in the result. 9 Aug. 1831.
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3340. In what respect do you conceive there is a greater certainty?—You can count more certainly upon the accuracy of payment from those zemindars than from the ryots in detail. The zemindars are generally men either of substance or of credit; and, with no very great number of exceptions, the revenue is obtained from the zemindars; whereas, from the circumstances of the ryots, there is always great fluctuation in the receipts from them from year to year, and often greater remissions are necessary.

3341. Do you think that as far as the collection of the revenue is concerned the zemindary settlement has the advantage over the other settlements?—I should say, in regard to the amount of receipt, a decided disadvantage, because the very principle of the zemindary settlement is a sacrifice of so much of the rent of the land to the zemindar, and so far as that sacrifice is made the revenue of government is diminished, and that I consider to be one leading disadvantage of the zemindary system, that it is an alienation of a portion of the government resources.

3342. But so far as regards the facility and certainty of collection, you think it has the advantage?—In so far as these go there is an obvious and certain advantage.

3343. What effect do you think the zemindary settlement has upon the creation of capital?—I should think the operation of it was by no means favourable to the creation of capital in any respect; if it affects the accumulation of capital in any degree, it must either be the capital in the hands of the zemindars themselves or that in the hands of the under-tenants, and in my view of the matter it has no peculiar tendency to

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create capital in either case. The zemindars are notoriously not accumulators. The zemindars of the interior, those originally constituted, are a class habitually and even proverbially improvident and spendthrift; they are, with scarcely any exception, prodigal men, who waste whatever they have as fast as they can obtain it. The case is different, to a certain degree, with those men not connected with the land, who have purchased estates and live in Calcutta. They are capitalists, and as far as that class are concerned, it is very likely there is accumulation in their hands.

3344. Do you think that it tends to create a landed interest?—In Bengal it certainly has not had that effect. To a very great degree the original possessors have, from their own improvidence and other causes, lost their estates. Few of the old zemindars now exist. The men who now hold the property are not resident; they are capitalists who reside in the towns, and manage by their agents.

3345. Are not those evils owing to the circumstance of the zemindars being defective in their personal character, and not the best qualified; or are they part of the system?—They are not saving men; and I think that may be predicated generally of the persons that live upon rent. I know no country in which the class of men whose income is derived from rent can be considered as accumulators; they are men who spend their incomes, with a very moderate portion of exceptions.

3346. Is it generally true that the more prosperous the upper classes are that live by rents, the chance is that there will be more prosperity in the other classes?—The question turns upon the effect of their expenditure. Now the effect of their expenditure upon the accumulation of capital is in my opinion very little indeed, if any thing at all; because their consumption is all dead consumption; it is not reproductive consumption in the smallest degree. The only consumption that is a source of accumulation, is the consumption that takes place for the sake of reproduction. I do not conceive that a country is considered the richer for the expenses of an army for example: and for the same reason it is not the richer for the expense of those who spend their incomes.

3347. Is it not the fact that the cultivation has extended in those provinces where the zemindary system prevails?—I believe that is the fact.

3348. To what do you ascribe that?—There can be no doubt that this extension of cultivation implies an increase both of population and of capital. In order to enable the country to extend its cultivation further, capital must have been applied to it, unless old land at the same time had gone out of cultivation. I have no doubt that there has been in Bengal considerable increase of capital and extension of cultivation; but it is another question whether that has been owing to the zemindary system.

3349. Would you not ascribe that accumulation of capital in any degree to the zemindary system?—I should ascribe it in no degree whatever, because I have

have no idea that the zemindary system is favourable to the accumulation of capital in the hands of the ryots, and there is express evidence of the fact, that it is the ryots and not the zemindars who have extended the cultivation.

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3350. By what means have the ryots extended the cultivation?—Their numbers have increased; and where an estate of a zemindar borders upon waste land, it has been found that the ryots generally have advanced upon the waste, and have carried on the cultivation by degrees.

3351. Do you think the ryots have accumulated capital?—The ryots cannot have done this without an extension of capital equal to those effects. They have multiplied considerably, and when the families increase, there is a subdivision of the property, and in consequence of the subdivision of the property, there is a stimulus to the members of the family among whom the subdivision has been made to increase their income, by attempting to cultivate the waste.

3352. If the ryots have in any degree accumulated capital, is not that a proof that their situation has somewhat improved?—Of some of them no doubt it has.

3353. Then you would not say that the effect of the zemindary settlement has been unmixed injury to the ryots?—Where the ryots have had an opportunity of obtaining fresh land, under certain advantages, they have been able, under the zemindary system, to extend cultivation; but I conceive that they would have effected it better under another system.

3354. To what extent has the waste land been cultivated?—I doubt whether it would be possible to answer that question by any documents we have got. In proportion to the cultivated land it is very small. There have been considerable portions of the Sunderbunds cultivated by the ryots bordering on the Sunderbunds; and considerable portions of the intermediate waste, inclosed among different estates in other parts of the country, have also been gradually brought under cultivation; and this has appeared much more in the case of some estates than of others. The evidence of which is the increased value of some estates when they come to be sold.

3355. In those cases where waste lands have been cultivated by the ryots, are you aware whether it has been in consequence of particular encouragement being given by the zemindars?—It has been mostly owing, I believe, to accidental circumstances; I am not aware of any instance of encouragement having been given by the zemindars, and I have a distinct recollection of statements, more than one, by the collectors in those districts, that the progress of cultivation is owing entirely to the ryots, and not to the zemindars.

3356. In those cases do you suppose that the ryots pay the zemindars for the waste land at the same rate that they do for the other lands?—We do not know exactly the rate. It is customary in India to exact no rent for the waste land for three years, and I have no doubt that custom has been observed by the zemindars. After three years, a moderate revenue is

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demande for a small number of years more, and after a certain number, what is reckoned the standard assessment of the district.

3357. Is that remission of rent for three years practised by the government in respect of the zemindars, as well as by the zemindars in respect of the ryots?—Under the permanent settlement, government take no account of their cultivation; in all cases where there is not a permanent settlement, the cultivation of the waste is always rent-free for a certain number of years, and afterwards a progressive rise of rent.

3358. Where the ryot takes in waste land, does government never increase the revenue exacted from the zemindar whose estate is enlarged by that cultivation?—Not at all.

3359. You are probably aware that Lord Cornwallis stated, that in the year 1793 one third of those provinces was waste and uninhabited, except by wild animals; how much do you suppose of that is still subject to the same character?—I imagine that the amount being so very great, the proportion of what is newly cultivated is very small; I should not conceive that the whole of the waste that has come under cultivation could extend to many thousands of inhabitants; but of course this answer is conjectural.

3360. Without reference to the Sunderbunds, what proportion do you conceive that the newly cultivated land bears to the land which was in cultivation at the time of the permanent settlement?—I should think it is so small a proportion compared with all that was under cultivation before, that it is not easy to name it; it would be a very small fraction.

3361. If Lord Cornwallis stated that, at the time of the permanent settlement, one third of the land was in a state of waste, do you conceive that the same fraction of one third would nearly express the quantity that is now in a state of waste?—I rather think, unless I misrecollect, that Lord Cornwallis's statement was, that there was only one third of Bengal under cultivation; he did not however mean to say, that there were two thirds absolutely waste, for a large portion of that which is not under cultivation is still considered as pasture land. It is in one sense waste, but it is not absolutely useless. Lord Cornwallis may have also declared that there was a full third of Bengal that was jungle, and absolutely useless. But within a few years the declaration has been repeated, by people upon the spot, that not above one third of Bengal is under cultivation.

3362. Then, according to that statement, there would be one third under cultivation, one third in a state of jungle, and one third in an intermediate state?—That is probably something of an approximation to the fact.

3363. Do you think that those proportions have been much changed since the time of Lord Cornwallis?—The proportions, I should say, cannot be very considerably changed, because the amount of land is so great that the increase of cultivation bears a very small proportion to it, although absolutely it is considerable.

3364. If

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3364. If the increased cultivation, whether to a smaller or greater extent, is to be ascribed to the ryots, has the zemindary system operated injuriously to the ryot ; and do you conceive that under some other system the increased cultivation by the ryots would have been carried to a still greater extent ?—I think that it would have been carried to a greater extent under another system, because I consider that the operation of the zemindary system has been unfavourable to the ryots.

3365. From the knowledge you possess, do you suppose that the habits and comforts of the people in those provinces are improved ?—There is no satisfactory evidence of the degree of improvement that has taken place, and I say so with more confidence because so many of the persons with whom I have conversed, and who have had most opportunities of seeing Bengal, give directly opposite opinions upon the subject ; one man will say there is considerable improvement, another will say there is none, and perhaps a third will declare there is a declension. There can be no doubt that the circumstances in which Bengal has been placed, independently of the zemindary system, have for a number of years been unusually favourable to the population generally, because they have been exempted from wars ; they have been exempted from the ravages of an enemy of any description ; they have enjoyed perfect tranquillity, and, to a certain degree, the protection of law. One evil which ought to be mentioned, a great proportion of which I think can hardly be ascribed to any other cause than the operation of the zemindary system, was the dacoity, or gang robbery, which prevailed to a frightful degree in Bengal a number of years ago, notwithstanding the general timidity and passiveness of the people. The evidence affords rather the means of inference than direct proof of the point ; but I cannot help believing, that the degree in which the ryots were exasperated by being deprived of their rights, when the operation of the zemindary system began to be felt by them, was one great cause of those great enormities.

3366. Did not they exist prior to that period ?—Not in any so alarming a degree.

3367. Of what class of persons did the dacoits consist ?—Chiefly of the agricultural population in all parts of Bengal, the ryots.

3368. What is the state of dacoity at present ?—Exceedingly reduced ; it is not altogether extinguished, but it now does not exist in a degree to be any very remarkable evil.

3369. Do you think the people are taking more to agricultural habits ?—Great exertions, no doubt, were made to put down the practice ; there were severe examples made, and every thing was done to render the police effective, and those exertions no doubt had their effect ; but I believe that the disposition of the people to acquiesce in what they found was remediless has also had its effect.

3370. Might it not be possible that there has been less oppression on the part of the landlords ?—We have not any evidence to that effect ; and I conceive

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ceive that the ground of the exasperation was, in the first instance, when the men, who considered that they had a right to hereditary occupancy, were either turned out of their possession, or had the rates increased upon them to such a degree that they could not retain them, then it was that they became desperate, and had recourse to those extremities.

3371. Supposing that, under the zemindary system, the rights of the ryots had been defined and recognized at the same time that the property was vested in the zemindars, do you think in that case the same consequences would have followed, or would not prosperity have been attainable as well under the zemindary system as any other?—I think so. If it had been possible to define the payment of the ryots, and to prevent exaction beyond it, the interests of the ryots would have been effectually preserved. In that case the only objection I should have had to the zemindary system would have been, that it was an alienation of the resources of government answering no good end.

3372. You have stated many advantages which the Bengal provinces have enjoyed during a series of years; considering all those advantages, should you have expected a larger progress of improvement at the end of such a period?—It is not easy for a people in the peculiar and unhappy circumstances in which the inhabitants of Bengal were placed when our government was extended over them, to exhibit a rapid improvement, because they were exceedingly poor, liable to be affected by every species of accident in a degree which is not at all felt by people whose circumstances are more favourable. From the insecurity of property which, till the time of British rule, was perfectly habitual in the country, improvidence was almost universal amongst all ranks. The people, beyond a small number of the mercantile class, have not a notion of accumulation. Every individual spends as fast as he can; and the disposition of the ryots generally is not to accumulate, but to make away within the year with almost every thing which the year affords them; and notwithstanding the simplicity of their habits, they find means very easily of spending what comes into their hands, for they run to immense expenses at marriages, and at the births of children, in religious obsequies, and in feeding Brahmins, which is their great delight.

3373. You have stated some of the disadvantages of the zemindary settlement; are there any other evils attached to it?—The evils attached to it have been pretty completely anticipated by the questions that have been already put. The great evil resulting from it was undoubtedly the annihilation that took place in consequence of it of the rights of the hereditary ryots. I conceive that that has not been counterbalanced by any advantages to the ryots; it has not been counterbalanced by that conception of their own interests, on the part of the zemindars, which was anticipated by Lord Cornwallis, that they would see how much their interests were concerned in the prosperity of the ryots, and in allowing them the means of accumulating property. I believe they have been wholly insensible to those advantages, and have exacted from the ryots as much as they could obtain.

3374. Has

3374. Has it not been the object of our government to secure to the ryots as much protection and advantage as was compatible with the situation in which they were placed?—Under the permanent settlement I conceive the government to have denuded itself of that power.

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3375. Assuming them to be placed as tenants of the zemindars, has the ryot the power now of protecting himself against the operations of the zemindar?—Not of protecting himself against any charge that the zemindar may make for rent; he may exact anything in that shape that he pleases, according to the existing interpretation of the law.

3376. Then what resource has the ryot?—I conceive no resource at all; he must either pay what is demanded of him, or he must quit.

3377. Can he resort to the courts of justice?—He may institute a suit, but according to the current of decisions, the suit would go against him.

3378. Did not Lord Cornwallis always contemplate the reservation of the rights of the ryots?—No doubt. A proclamation was issued by the government previously to the enactment of the permanent settlement, in which the rights of all parties connected with the land were declared to be unaffected; and the regulations by which the permanent settlement was made reserved them also in the fullest manner.

3379. When you talked of the revenue being collected with greater facility, do you include in that the greater cheapness of collection under the permanent settlement?—No doubt the revenue is received in Bengal with a less apparatus of officers, and at a less cost, than it is in other places; but there is far more than a compensation for that in the advantages which have been transferred to the zemindar; he receives more than enough from the land to pay the expense which he must be at in carrying on the collection in detail.

3380. Has not the revenue of the Bengal provinces increased very much since the establishment of the permanent settlement?—It has increased, and is progressive. I do not recollect what was the amount of it at the period of the permanent settlement; it has been slowly on the increase down to the present time. I have a statement of the progress for the last seven years. I can mention the nett revenue in the lower provinces in Bengal, Behar, and Orissa, not including Benares, for the last seven years, terminating with 1828-29. The nett revenue, including both the land and the customs revenue, is three crore twelve lacs in the first of those years, three crore eight lacs the next, three crore nineteen lacs the next, three crore seventeen lacs the next, three crore fifteen lacs the next, three crore nineteen lacs the next, and three crore twenty-nine lacs in the last; there is the difference, therefore, between twelve lacs and twenty-nine lacs in the course of those seven years, although the last of those years was probably an extraordinary year, since it rose ten lacs above the preceding.

3381. Has any alteration of the customs taken place in the course of that time to affect the amount?—Not in the rate of duties, or but little; there has been within that period a diminution of the transit duties on piece goods and

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and raw cotton, but there has been considerable change in the amount of collection. The result is different in Benares; there is a considerable decline in the land revenue.

3382. Has that portion of the amount which is land revenue increased in the same proportion as the total?—Not in the same proportion as the total, but it is increased; this paper has been made out without the distinction between the two; I see that the land and sayer are both included.

3383. In what years has there been a decline in Benares?—In the same years, from 1822 to 1829.

3384. You have stated, that both Lord Cornwallis's Proclamation and the Regulation of 1793 itself, reserved the rights of the ryots; upon what principle, in the face of those documents, have the courts decided that the ryots have no rights?—In the discussion to which I alluded in my former examination, there were minutes recorded by the Judges of the Sudder Adawlut, on the reference to them of the minute in which Mr. Harrington maintained that the ryots of Bengal had rights which had been greatly trenched upon, and in consequence of which he proposed that a new Regulation should be formed for the protection of the ryots. The judges assumed that the ryots in Bengal never had any rights, that they were tenants at will, and that when government therefore transferred the land to the zemindars, they transferred it without any restriction in reference to the ryots.

3385. Were those discussions shortly after the Regulations, or more recently?—The discussion to which I am now alluding is a recent one, it took place in 1828; the decisions of the courts were a number of years anterior; and they seem to have originated, without any very great degree of discussion, in the idea, that when an estate was sold and bought, the purchaser bought the entire power over the property, and of course over the tenants.

3386. Was not that inconsistent with the Regulations?—No Regulation had been made to prevent it; what had been done in the Regulations was, to declare that whatever rights the ryots had, were not intended to be given away by the permanent settlement.

3387. Was not it the desire of Lord Cornwallis, that the settlement with regard to the ryots should be as permanent as that with regard to the zemindars?—The expression is merely that of a reservation of their existing rights; a declaration that whatever rights of other parties on the land existed, the rights of talookdars, the rights of ryots, they were not transferred by the permanent settlement; they remained as they were before; and the government reserved to itself the power of interfering to make new regulations for the purpose of further protection if it was necessary. With this reservation, had it been the understanding of the judges that the ryots did possess rights anterior to the permanent settlement, I should have considered their decisions to be not consistent with those regulations.

3388. There being at least a great diversity of opinion among the government

ment officers in Bengal as to the existence of those rights, to what do you ascribe it that the court assumed that they had no rights; do you attribute it to the want of sufficient information?—No doubt to the want of sufficient information: according to the view I take of the original rights of the ryots, and the mode in which I have accounted in my own mind for the course they have pursued is, that they were misled by the term property and the term purchase. They carried in their minds the idea of the whole of the powers and privileges which are annexed to the purchase of land in England, amounting to unlimited power over the tenants; and it appears to me that by this idea they were commonly misled.

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3389. Has there been any appeal to the Privy Council in England?—Not any.

3390. Do you recollect whether the minutes of those gentlemen belonging to the Sudder Adawlut entered particularly into the reasons for opposing Mr. Harrington's regulation, stating that the ryots had no rights; or whether they merely stated that no one law or regulation would answer for the country generally, but that in some districts the ryots had such and such rights, and in other districts they had other rights?—The Judges of the Sudder Adawlut stated several reasons why they objected to such a regulation; a considerable proportion of their objections are rather to the form of the provisions of it than to the object. They conceived that it was ill-drawn to answer the object, but they also considered that it was for an object which there was no room now to contend for; they stated broadly, without entering much into their reasons, as the result of their experience and of their inquiries, that no such rights existed, and that there was no evidence of their having existed. That is the general impression I have, from recollection, of the documents; but as they will be laid before the Committee they will speak for themselves.

3391. Is it not the fact that the ryots in various districts have had various rights generally allowed?—In many parts of India they are not disputed.

3392. When the land revenue was fixed permanently, was it not expected then that the revenue from that source would be incapable of increase, and that other sources of revenue would be multiplied in the course of improvement?—That was one of the anticipations of Lord Cornwallis; he imagined that a class of opulent landowners would grow up who would live expensively as gentlemen do in Europe, and their expenditure would afford the means of a considerably productive taxation upon articles of consumption.

3393. Without adverting to the particular mode by which it has been effected, has it not been the result that other branches of revenue have increased?—The produce of the customs in Bengal has increased very considerably, above all the produce of the sea customs, because there has been a great increase of trade; to a certain degree, it is probable also, that

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3394. Has not the revenue from opium increased ten-fold?—The revenue from opium has very much increased, and also the revenue from salt.

3395. What do you think have been the effects of the ryotwar system, so far as it has existed in Bengal?—There is very little experience of it in Bengal; the answer to this question has been, to a considerable degree, anticipated by the answers to former questions. As far as regards that species of ryotwar settlement that took place in the case of estates which lapsed to government, or which, under the court of wards, came to be managed by the collectors in detail with the ryots, it has in general, been unsuccessful in Bengal, and has been complained of strongly in most cases by the collectors, as a very unsatisfactory and unprofitable mode of collection, both in respect to government and in respect to the ryots. In most cases the revenue has fallen off; it was not collected to such an extent as had been received from the zemindars previously, although it was not found that the condition of the ryots was benefited under that management. This always appeared a very extraordinary result to the authorities at home, and they ascribed it in a great degree to the inexperience of the collectors in Bengal in detailed settlements, and their aversion to them on account of the increased difficulty and labour which they implied. Queries have, from time to time, been sent out to probe the matter as far as possible, and from the answers which have been received, it would appear to be made out that the collectors, in general, have given themselves little or no trouble about such estates; that the tehsildars settled what was to be paid by the ryots, and also made the collections from them. The probability therefore is, that the tehsildars, acting under no superintendence, robbed both the government and the ryots.

3396. Is there any considerable number of villages in that situation?—The number of estates held khars is, of course, fluctuating; part of them are for a time only in the hands of the officers of government, and afterwards revert to the proprietors. There have been instances of successful ryotwar in Bengal, though not many. There was a recent instance in the hands of Mr. Wilkinson, in the northern part of Cuttack. Instead of having recourse to one of the more summary methods of collection, he proceeded to form a settlement with the ryots in certain estates which were to be settled, and under his management the plan succeeded. He reported that the ryots were contented, and their payments made easily and correctly. He also reported, that after the operation had been once gone through, he found the difficulty of his subsequent proceedings much less than he had anticipated.

3397. Did he proceed by individual settlement with each ryot?—He made his bargain with each ryot, and gave the ryot a pottah.

3398. For

3398. For what period?—None of them for long periods; I imagine for five years, as that is customary; but I have no precise recollection.

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3399. Was the assessment variable from year to year, or fixed?—For the period of the pottah fixed, and most probably at the end of that, another five years will be added, and so on till some reason occurs for a material change. When occasion appears for a re-settlement it is made.

3400. Do you perceive any disadvantage connected with that settlement?—An obvious disadvantage undoubtedly is the difficulty. A settlement so much in detail is a settlement that cannot be easily effected, and it implies a great complexity of agency, which agency it is by no means easy adequately to control.

3401. Do you recollect what agency Mr. Wilkinson employed?—Mr. Wilkinson, I think, was an assistant under the commissioner of Cuttack, and deputed to that particular district. I rather think he had no European connected with him, and therefore he had merely the tehsildars and the ordinary native servants of the collector, so that I imagine he managed entirely by the instrumentality of natives.

3402. As it was made in 1827, the term of the leases of course has not expired?—We have only his first report upon the success of his proceedings.

3403. With respect to the village settlements in the Presidency of Fort William and the provinces, what is your opinion of their advantages and disadvantages?—In the village settlement where the assessment is made in one sum upon the village, some one leading individual of the village stands forward as the person with whom the engagement is made, and who becomes answerable to government for the revenue which he undertakes to pay, and then in this person's hands remains the distribution of the assessment among the members of the village. The inconvenience and evil of this system is, that there is no protection to the inferior ryots against injustice on the part of their head man and his relations, who contrive by various ways to shift an undue share of the burthen from themselves upon their inferior partners. He in reality farms the village. Over a considerable proportion of the Ceded districts, there were persons that stood forward with the claim of being hereditary managers for the villages; they were in those cases members of the village; in each instance, one of the hereditary ryots having a property in the village along with the other members of the village, a share in the property belonging to the village community, whether held in joint-tenancy or not.

3404. Are they generally natives of the village?—They are most commonly natives of the village, and always, when such can be obtained. In a number of those villages, when the Ceded and Conquered Provinces first came under the British Government, there were no individuals that appeared and preferred what appeared to the collector any claim of right to be

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taken as the engager with government ; nobody who could shew that they or their ancestors had been customary engagers with government ; in those cases, the collector frequently considered himself at liberty to make a contract for a village with an individual who might not be a member of the village. That was objected to when it came to the knowledge of the government, and the collectors were directed, and those directions concurred in readily by the home authorities, not to engage with strangers, but with the natives of the village in all cases in which any member of the village could be found who was conceived adequate to the undertaking. This proceeded upon the supposition that a member of the village community would make a distribution more equitably than a stranger, although it seems to be now pretty distinctly ascertained that that anticipation was not correct, and that the inferior ryots are as liable to be oppressed by leading men among themselves as they are by strangers.

3405. Is it not almost invariably the case, that in India, in every village, there is a head man, and an accountant, and a train of officers or presiding persons, who manage for the rest of the community?—That is the general state of the village community in India ; there is a head man who goes by various names, in various places ; they are called mocuddums and maliks in Bengal, they are called potails at Madras and Bombay, and the cornum or putwarry is the village accountant.

3406. Do not the village in general prefer entrusting their interests to the hands of their regular heads?—The natives prefer what is customary. It has been the custom in India for those head men of the village to transact with the government for the rest, but it is very likely, that although this has been the regular custom, it has been also a regular custom for those men to oppress.

3407. Is it not in the power of the collector who makes that agreement with the head man to secure the ryots from those oppressions?—It has been found exceedingly difficult ; some security may in time be found. It has occurred to me, and instructions to that effect have been conveyed to India, that the collector, in making his bargain with the head man, should, previously to assigning him the privilege, make him give in a schedule of the mode in which he meant to distribute the assessment, and, having obtained this statement, cause it to be fixed up in the village itself, to be seen by every inhabitant of the village, with an invitation to the people to make any remarks that might occur to them ; pointing out any inequality or injustice that might appear to attach to it, while the collector's office should be constantly open to the reception of those complaints.

3408. Although there is a head person, is not he in most of those villages in Bengal a co-partner of the cultivators?—In a considerable number of instances the property of the village is held in common.

3409. Has the mode of check you have just suggested been actually carried into effect?—The suggestion has been too recent for us to know what has been the effect of it.

3410. Is

3410. Is it not as easy to protect the ryots under the village system as under the ryotwar system?—The danger under the ryotwar system arises from the corruption of the servants of the collectors, whom it is the business of the collectors to superintend and watch: the collector is perfectly aware of this tendency on their part, and if he does his duty, he will undoubtedly have a considerable power in checking them; but over the head man of the village there is no such check: it is understood that he and the individuals of the village form their arrangement among themselves, and it is not looked into. The difference therefore appears to me to be in favour of the ryotwar system, as the parties who are likely to misbehave themselves are there under superintendence and control, while in the other case they are under none at all.

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3411. Have the three different modes of settlement been tried under an equality of other circumstances, so as to afford a fair test of their respective advantages and disadvantages?—They have; but I do not think that from experience you have yet evidence that can support any conclusion; the ryotwar system has not been a sufficient time in operation to enable you to judge with certainty of its effect upon the general condition of the people.

3412. Was the ryotwar system in existence in the provinces in any part of the presidency of Fort William prior to our possession of them?—Not in any part of the presidency of Fort William. In general, wherever the country was not managed by zemindars before our possession, it was managed by farmers, often in large districts. That was the case in Oude, and is so still. Previous to our connection with that country, a large part of the whole was under one farmer.

3413. With respect to the comparison of the ryotwar and the village systems, which, in your opinion, is the preferable?—I should have no hesitation in deciding between the two. I consider that the village settlement fails in that protection to the ryot which the ryotwar is calculated to yield; under that system, the parties who immediately transact with the ryot are the servants of the collectors, superintended by a man whose entire business it is to superintend them, and undoubtedly they must be under a check considerably beyond the case of the head man of the village, who is not looked after at all, and who does what he pleases as far as can be done without exciting an affray in the village, which is the thing most likely to cause his conduct to be looked after.

3414. Is not the reliance of the collector upon his native servants?—It is.

3415. Is not their corruption notorious?—Their corruption is very great, they are never to be trusted.

3416. What do you suppose is, upon the average, the amount of population under a single collector?—The amount of population varies very much,

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much, because it depends upon the density of the population. The amount of population under a collector of Bengal is frequently very great. In the scattered places, in the upper provinces, the amount of population may be small, although the difficulty of collecting may be equal or even greater.

3417. Does the ryotwar extend over any great portion of country in the Bengal provinces?—In Bengal, very small.

3418. Of the three systems, then, it is your opinion, that the one which best provides for the protection of the ryot is the ryotwar system?—Yes.

3419. The result of your opinion then is, that it is better that the ryot should be placed in immediate contact with the servants of the collector, notwithstanding their corruption, rather than with the head man of the village?—Yes; notwithstanding their corruption.

3420. In the upper provinces does not an individual generally contract with the government for a number of villages?—I think rarely; the settlement is commonly with villages in the upper provinces. It does sometimes happen that an individual contracts for more villages than one.

3421. Does it not often happen, at the end of his lease, that an individual, when he is about to renew his contract, states, that the country is not equal to pay the revenue obtained; that he must have a reduction of rent; and that, upon looking into the state of the country, it is found to be in a worse state than at the beginning of the five years preceding?—In many instances it has been found upon inquiry that the assessment has been too high. In a considerable district it has been recently discovered that the assessment was too high; I mean Bundelcund; and it has been greatly decreased; the same has been the case in Bareilly.

3422. Does it not often happen that those collectors oppress the ryots to such an extent that the country is absolutely injured in consequence?—It is uniformly found, that when too high an assessment has operated for a few years, or even for one year, the condition of the country is permanently injured, because the ryots dispose of their bullocks, and various other means of carrying on the cultivation, to pay the demand upon them for that one year; so that in the succeeding years the cultivation declines, and the revenue along with it.

3423. Is it your opinion that granting longer leases would be advantageous to the ryots generally?—Long leases are undoubtedly the natural instrument for improving the circumstances of an agricultural population; but in the present condition of the agricultural population in India there are various untoward circumstances which limit the benefit of leases very considerably. The two great circumstances that operate to limit the benefit of leases are, first, the great poverty and depression of the cultivators themselves; and in the next place, the great fluctuations of seasons; so that hardly any rent, even a very moderate rent, can be collected regularly from year to year; and if govern-

government were to take an average year, and to fix the rent such that the surplus of a profitable year might more than compensate for the deficiency of a bad year, the effect would, in almost all cases, be, that the surplus of the good year would be consumed, and the government would have to make a remission in the bad years, contenting itself with something less than the rent, which yet the ryot would not be the richer by.

3424. Is there not great difficulty in the way of carrying on the ryotwar system upon a great scale in Bengal, in consequence of the few Europeans that you can afford to have under such circumstances, and the difficulty of trusting the natives?—That is the great difficulty of collecting the revenue in detail, as well as of administering justice to the country, that you are not able to pay Europeans in sufficient numbers.

3425. You were understood to say that Mr. Wilkinson employed native agency?—They all must employ native agency, but that agency is under superintendency, according to the ryotwar system; and when superintended with efficiency the abuses that they are prone to are obviated.

3426. You have stated that in the upper provinces one individual contracted for a certain number of villages; did the government interfere as to the mode in which the assessment should be made for the five years, or was the individual left to collect as he pleased, and to plant and sow as he pleased?—An assessment is made upon the village, and one man stands forward as the manager; in some cases the same individual for more villages than one; an agreement is made with him for a certain annual amount, and it is distributed by him among the villagers; which distribution is supposed to be a conjoint operation.

3427. Are you aware whether that individual has the power of distraining for rent upon any portion of the village lands?—His powers are fixed by Regulation, and I think are the same with those of a zemindar.

3428. Has the ryot any redress against the distress, except by appeal to the courts of justice?—To the courts of justice, or to the collector, when he has jurisdiction.

3429. Is the state of the court such as to afford a ready disposal of his appeal?—The want of that is the great difficulty.

3430. You spoke of there being a great difference in the condition of the cultivators in different parts of Bengal; do you conceive that the condition of the ryots, notwithstanding the permanent settlement, depends very much upon the character and proceedings of the collectors?—Not in Bengal; the collectors do not interfere between the zemindar and the ryot, except in very extraordinary cases.

3431. Then to what do you attribute the difference in their condition between particular districts in that province?—Such differences as there are would be accounted for to a certain degree from the character of the zemindars themselves. If the zemindar resides upon his property, and takes care
of

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of it, there is found to be a distinction. There is an instance in the rajah of Benares, whose jaghires are in a prosperous state.

3432. Is it then in that way that you would reconcile the conflicting accounts which you have stated would be given by persons practically conversant with the state of Bengal?—No doubt that would account for the different opinions that one hears to a certain extent; the attention of one individual may have been directed to the prosperous cases, and that of another individual to the unprosperous cases.

3433. Supposing that at the time when the permanent settlement was made in Bengal, that settlement had been made with the ryots, and not with the zemindars, is it, or not, your opinion, that a very considerable benefit would have accrued to that country by the establishment of that permanent settlement?—I am of opinion that the prosperity of the ryots would have been much greater, and that in all respects the wealth of the country would have improved in consequence of such an arrangement.

3434. Then your objection is not to the permanent settlement, but to the medium through which the revenue under the permanent settlement is collected?—The sole objection I have to the permanent settlement as permanent is, its being so far an alienation of the great source of the revenue of government.

3435. Are you not of opinion, if the permanent settlement had been of such a description as that the wealth of the country had increased, other sources of revenue would have opened to the government by means of that increase of wealth?—There is no doubt that if wealth had grown in the country, you might have gone to that wealth, and have obtained a portion of it by the operation of taxation.

3436. Supposing the country to have remained in a stationary state, are you of opinion that any considerable increase of revenue could have accrued to the government under a system of land revenue which was variable at their pleasure?—I conceive that if government, without fixing in perpetuity the rent to be demanded from the ryot, were so to manage that they should never take more than the rent from the ryot, still the means of accumulating wealth would remain in the hands of the ryots as much as those of any other producers in any country where the rent of land is conveyed away, and has become the property of individuals.

3437. When you state merely rent, do you contemplate that portion of the gross produce of the soil which is now generally levied in India, amounting to nearly one-half of the gross produce?—I should say that the question does not state the facts correctly, because I imagine that the assessment, though in some cases it may exceed the half of the gross produce, in many cases is not one-tenth of the gross produce; the amount that is taken varies with every variation of soil.

3438. Is it not the fact that throughout that part of India where the land-revenue is variable, it is commonly assumed that one-half of the gross produce

duce is taken from the ryot, and that the greater proportion of that, namely, about thirty-five per cent. of it, is assumed as the share of government?—Certainly not.

3439. Is it not so under the Madras presidency?—At Madras the sort of rule that was assumed by Sir Thomas Munro, and I should say erroneously, was, that one-third of the produce might generally be demanded by government.

3440. Was not that upon a very high assessment?—He over-estimated the productive power of the soil, and upon a revision, directed that twenty-five per cent. should be diminished from it.

3441. Was his original estimate in any case realized?—I should not say that it was in no case realized; I believe it was realized to a considerable degree for some years, but with a deterioration of the country.

3442. Was the reduction made that he proposed?—It was; and even additional reductions in many cases have been found necessary, and have been directed.

3443. Is it not the fact, that throughout a great part of India, where the land-tax is variable, a larger proportion of the gross produce of the soil is demanded from the cultivator than he is able to pay consistently with his own increase in wealth and in comfort?—I believe that generally, in India, more than enough has been collected from the cultivators; most commonly, even under our own government, the full rent, and something more, has been collected; by degrees only have the governments in India and the authorities at home become fully sensible of this; but in proportion as they have become sensible of it, instructions, more and more peremptory, have been sent out to take special care that no more than the rent is taken, and in all doubtful cases that the error, if any, be on the safe side, by taking less than the rent rather than more.

3444. Can you point out the part of India in which, in your apprehension, a larger amount is not taken from the cultivator than what he is able with comfort to pay?—It is not easy to answer that question in regard to any large portions of the country; in the same district, and under the same collector, more than the rent may be taken in one case, and less in another; any thing like accuracy on the point we have no means of attaining; and one source of deception, and that a very natural one, to the collectors, in estimating the lands, is this, that in many villages they found the lands rated at a certain amount, that in those cases it was paid, and without difficulty or complaint. This was assumed for the different classes of land as a species of standard, and all the land was rated at this standard; but in reality it was too high, and the ryots had been enabled to pay so high a rate only by having a considerable portion of land in addition to what they paid for, concealed land, and never brought to account. Our vigilance being much greater than that of the government which went before us, a much smaller

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quantity of this concealed land was allowed to remain unassessed; and by this operation of detecting the unassessed land, and going upon the old rates, the assessment, it was found after a certain time, was too high; but the moment it was so discovered a remission took place.

3445. Of what part of the country are you now speaking?—This has happened in all parts of the country not permanently settled.

3446. Are you aware of the existence of any extensive districts of India where the assessment of the land revenue is what in your apprehension ought to be considered as a mere rent, payable by the cultivators?—The cases are probably mixed; my apprehension is, that in a great proportion of them, in every part of India, more than the proper rent is taken.

3447. Do you think, considering the fluctuations of seasons to which you have alluded, and the circumstances of the ryots, it would be possible to make a permanent settlement with the ryots in Bengal, with any prospect of annually realizing the revenue?—I think not.

3448. Do you apprehend that such a settlement could now be made with the superior means of ascertaining the state of the country that we now have?—I think still very imperfectly. I should look to leases for a considerable number of years' duration, in favour of those ryots, upon a moderate rent, as a certain instrument for the improvement of India; but I conceive that for a considerable time the protection of those leases would be very imperfect, and not fully adequate to the end, owing to these two causes, the poverty of the ryots, and the fluctuations of seasons. In all adverse seasons, or when any circumstances of adversity happened to the individual, a remission would be needed, and to such a degree that, practically speaking, as under Sir Thomas Munro's ryotwar system, an annual settlement would be indispensable. We may hope, at no very distant period, to see so great an improvement in the circumstances of the ryots, and in their education and state of mind, as that they will know how to reserve the surplus of one year for the deficiency of another; and whenever they come to be in a condition of that sort, then a lease, with a moderate rent, will be an adequate protection for them.

3449. You have been asked whether you know any district of India that is not over-assessed. If any case of over-assessment were made known to the home authorities, would it not be immediately desired to be remedied?—There is no doubt that it would be remedied immediately; and it may be also said in favour of the governments of India universally, that there is no point which they are more vigilant in attending to than any symptom of over-assessment; and I say so without ascribing to them any peculiar virtue, because the operation of over-assessment for one year or two years uniformly produces a diminution of income.

3450. Has it not for the last twenty years been a regular complaint from India that an over-assessment has existed?—This complaint, in order to be understood,

understood, must be stated somewhat in detail; it may be true that there has not been one year in which there has not been a complaint that some district or other has been over-assessed, but not generally.

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3451. Did not Sir Thomas Munro recommend a reduction of twenty five per cent. from the assessments of the districts under his charge, and did not more than twenty years elapse before any reduction was made?—Sir Thomas Munro directed his remission without reference to the home authorities, and it was made immediately.

3452. What is the effect of the permanent settlement in Madras?—The zemindary settlement, so far as it has been tried in Madras, has been most unsuccessful. There was an attempt to introduce it generally about the year 1805 or 1806. The country was divided into estates called mootahs, a renting from 1,000 to 5,000 pagodas; the amount of revenue to be charged by government was fixed upon them, and then they were put up to sale, under the understanding that this was to be a permanent zemindary settlement, and that the purchases of these mootahs would be placed in future in the same condition as the zemindars in Bengal.

3453. Who were the purchasers generally?—They were natives and persons of consequence connected with the district, in the greater number of instances.

3454. In what provinces did this take place?—It took place very generally. After a very few years it was found that these zemindars or mootahdars were unequal to their engagements, whether this was owing to mismanagement or over-assessment, and many of them desired to be relieved from their engagements; which was frequently allowed, and with restoration of the purchase-money. In other cases they fell into arrear, and their estates were sold. I believe the whole of those mootahs have become extinct, and the land is now settled in the ryotwar mode.

3455. Do you ascribe that failure to over-assessment?—It was variously ascribed by the collectors, and other observers on the spot. In some instances, no doubt, the demand was too great, more than the land could afford; in other cases, there was gross mismanagement on the part of the purchasers.

3456. In those districts in which the zemindary system was established at Madras, was the state of society similar to that which you stated as existing in the Bengal provinces prior to the permanent settlement there?—There are considerable diversities between those two parts of India. The zemindars in Bengal were men who had some experience. In general the parties with whom the settlement was made in Bengal were individuals who, as hereditary officers of the Mahomedan government, had been in the habit of collecting the revenues, and pretty nearly upon the terms on which the permanent settlement was made with them. In the case of making those estates in Madras, the men who engaged for them were specu-

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lators, who had not any experience in the management of estates. That was one difference, and I should imagine that another difference was, that the terms imposed upon them were much more severe than those upon the Bengal zemindars.

3457. Were the rights of the ryots equally regarded in both cases?—They were not more regarded in one case than in the other; because in both the presumption was, that the zemindars, the owners of the estates, would be the protectors, and in some sense, the fathers of the ryots.

3458. Is there any part of the Madras presidency in which now the permanent settlement prevails?—There is a considerable portion of it in which the permanent settlement prevails. I have mentioned that in the Northern circars, a hill country, in which the population is more rude than it is in other places of India, and where it had been in general held by chiefs occupying considerable districts, who had been allowed to retain the command of those districts under the Mahomedan governments, paying a certain annual sum, we found it convenient to continue the same system, and these chiefs were erected into hereditary zemindars, paying a certain annual sum. They for the greater part have continued in that situation. This statement refers to the districts of Ganjam, Vizagapatam, Rajahmundry, Masulipatam and Guntur. It was an object of the policy of Sir Thomas Munro to preserve these zemindaries in their existing situation, and he proposed a law to prevent the subdivision of those zemindaries, according to the Hindoo law of settlement. It frequently happens, however, that they are preserved by that species of intervention of the government which I mentioned on a former day, when a rajah or zemindar consents, after he has fallen into arrear, to allow his estate to be managed by government, he himself receiving a certain moderate allowance for his maintenance in the mean time, and in this way the estate is managed till the arrears are paid, and till his other debts are also discharged, when the estate is restored to him. This happens over and over again, so that for probably half the time they are managed by government. This has been to a still greater degree the case with another set of persons in an analogous situation, the southern polygars, chiefs or little sovereigns who paid a tribute, and were by us made great zemindars; but they managed so ill that they are almost constantly in debt, and their estates are constantly managed by government in their behalf.

3459. Are those the original proprietors of the soil?—They were sovereigns rather than proprietors.

3460. In those cases are the ryots in a state of oppression?—Under them there is great irregularity and great mismanagement; it is probable that the ryots effect a good deal in their own behalf by concealment. They are liable to great extortions and ill-usage, but the probability is that they hold a considerable amount of land without paying anything for it. It has been strongly recommended from home to the Madras government, that
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in all those cases in which government consent to take charge of the estate for the rajah or polygar, he shall consent that the officers of government, who in the mean time transact with the ryots and settle with them, shall fix the payment that the ryot shall pay for a number of years, and that the zemindar shall consent to pottahs being granted to them, which he binds himself to respect. This instruction has been sent and enjoined upon the Madras government, and I have no doubt it will have very salutary effects.

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3461. In those cases of permanent settlement at Madras, has the improvement of the peasantry been at all remarkable?—The improvement has not been visible. Every where in India the progress of wealth, by necessary causes, has been slow.

3462. Is there not an increase of cultivation?—There is an increase of cultivation at Madras as there is elsewhere, but it is much more difficult for the cultivation to make progress at Madras, because the soil is comparatively poor, and it is an expensive cultivation; for in a great part of the Madras territory the country is only cultivated by means of artificial irrigation.

3463. Has the revenue increased in the Madras presidency?—The revenue has not increased at Madras.

3464. Was this system existing in Madras prior to our establishment of it under the name of the permanent settlement?—In the cases of those hill rajahs and in the cases of the polygars; they were little sovereigns, and they paid tribute, the Northern circars to the Nizam, and the others to the Nabob of the Carnatic. The revenue of those permanently settled districts has considerably declined in the intermediate years between 1825 and 1829 inclusive. In the first of those years the nett revenue was fifty-nine lacs and odd; in the next fifty-nine lacs; in the next fifty-seven; in the next fifty-six; in the last fifty-five.

3465. Did our government levy the same revenue from the possessors as the former government?—We made our bargain with them. According to my present recollection, I should say that we did not consider what they had paid to former governments, we considered what they ought to pay to us.

3466. Do you think upon the whole we increased or diminished the rate?—That is not easy to say, because they were subject constantly to irregular demands. The Nabob of the Carnatic would march to the southern polygars with a portion of his troops, and make an extraordinary contribution whenever he imagined he had occasion for it, and we have no certain knowledge of what was exacted by him, because it was exacted irregularly.

3467. Then according to your estimate, the effect of the zemindary settlement in the Madras presidency has been the general ruin of the great proprietors?

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proprieters?—It was the ruin of the mootahdars, or rather it was the ruin of the mootahdarry system; because a considerable number of them, finding that they were unable to proceed, renounced their engagements. In the case of those who did not renounce their engagements, ruin was the consequence. Those polygars and rajahs are kept in temporary and occasional poverty by their own improvidence; their estates are preserved to them merely by the interposition of government, because, if they were left to the consequence of their arrears and other debts, the estates must be sold to discharge them.

3468. In those cases in which the government have undertaken the management of the estates, have they diminished the assessments upon the ryots?—In some cases they have, and in others they have not. In those cases in which they are managed by government, what is conceived to be an equitable assessment is made.

3469. Where that experiment has been tried long enough, has there been improvement in the condition of the ryots?—Not what anybody could speak to peremptorily. In short, I conceive it to be the case universally in India, that there is no visible direct marks of improvement, except in as far as the population has increased, and cultivation has extended; but I am not aware that the general appearance of the people, or that the circumstances of the people, taken individually, have materially improved any where.

3470. Has there not been an improvement in Bengal in respect to the accumulation of capital?—There has been an extension of capital; the effects and consequences of the general protection have existed every where.

3471. Is not the ryotwar the general system under the Madras presidency?—With the exception I have mentioned it is.

Jovis, 11^o die Augusti, 1831.

JAMES MILL, Esq. again called in, and examined.

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3472. WHAT have been the effects of the ryotwar system in the presidency of Madras?—It does not appear to me to have been as yet long enough in operation to have produced any conspicuous effects upon the population: the effects which it is likely to produce I think must as yet be matter of inference, and cannot be expected to be very apparent as matter of experience. In the state of a population so circumstanced as the population of India, an alteration for the better, even if the ground of it is well laid, cannot afford
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very strong indications for a considerable period of time. The progress of wealth, which is the thing I suppose that the question more particularly alludes to, is slow, in much more favourable states than theirs; and I am not aware that there has, under the ryotwar system been any progress in wealth at all; because most frequently, when the assessment was first made, it was, I fear, too high.

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3473. Do you extend that remark to the Coimbatore province as well as the other districts?—Of the Coimbatore province, it has always been reported by the late collector that it was in a state of prosperity. There was this evidence of its prosperity, that the collections were made with facility and without accumulation of arrears.

3474. Do you ascribe that to the moderateness of the assessment?—No doubt, and to the correctness with which the business was superintended, the prevention of undue exaction on the part of the inferior people employed.

3475. Is there not in that province an accumulation of property amongst the ryots?—To that point I am unable to speak; there is not anything on the records of the Company that indicates that, beyond the fact I have now mentioned, that in general the revenue has been collected with facility, without arrears, even in years of considerable adversity in point of season.

3476. You were asked upon a former day respecting the putcut system; does that of necessity imply a survey of every distinct field?—Certainly not; nor any assessment in one sum upon the ryot. According to the putcut system, a certain sum is demanded of the ryot for the whole of the land he holds.

3477. What is the tenure of property in the other parts of the Peninsula, Dindigul, Salem, Madura, &c.?—The ryotwar.

3478. What has been the effect as to the revenue in those provinces?—The revenue in Madras generally has not been progressive; which may be accounted for by two circumstances in joint operation; there have been large remissions in almost all parts of Madras, in abatement of the original survey-assessment, and there has been a series of exceedingly unfavourable seasons.

3479. Are there any other causes that you can also ascribe it to?—Those are the causes that occurred to me; I am not at this moment aware of any other.

3480. When the land revenue has been decreasing, has not the revenue from other sources been increased?—That is very likely to be the case; I have not recently looked at the figured statements.

3481. What is the aumany management?—That in general implies a division of the crop; a partition between the government and the cultivator, and for the most part payment in kind; sometimes a commutation in money for the produce, after the assessment in kind is made.

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3482. In what district does that prevail, in the Madras presidency?—I think it is not now the prevalent system in any part under the Madras presidency; it occasionally occurs where the ryots appear to have a preference for it, and where there have been disputes about the *teerwa*, or money-assessment.

3483. In those cases it is at the option of the receiver of the rent, whether he shall be paid in kind or in money?—There is nothing fixed in that respect; there is a sort of agreement between the parties; in very few cases, I suppose, does the collector ever dispute the matter when the ryots show a decided inclination.

3484. Is that often the case in the zemindary tenure?—How the zemindar deals with the ryots on his property is very little known; the collectors of government do not interfere between them.

3485. What is the tenure under the Bombay presidency?—In almost all parts of the Bombay presidency, the exceptions not numerous, the collection is by village.

3486. How is that found to answer?—There has not been there any other mode under that presidency to compare it with. The collections have been made as correctly and apparently with as little pressure upon the ryots as elsewhere; and in some cases the business must have attained unusual accuracy, because over a considerable part of the Bombay territory surveys of very great accuracy have been effected. Those surveys were minute in regard to boundaries and extent even of fields, and to the classification of the lands; but it was not attempted, in consequence of them, to make a ryotwar settlement. The settlement was always made with the village conjointly, and the villagers distributed the assessment among themselves.

3487. Have those surveys in general been accurate and correct?—They were made for Baruch by Colonel Williams, and made in a considerable part of Guzzerat by Major Cruikshank; and if I may judge by the accounts and inspection of the maps, extending to every village, I should say that the survey has been made with the utmost accuracy.

3488. Were the surveys accompanied with reports?—Always accompanied with reports and detailed remarks.

3489. Are there any means of checking those accounts of the surveyors?—There are no means here of checking them, further than by examining the report, the map, and the details, and drawing the inferences they afford. We know the principle upon which the operation was conducted, The particulars were all set down after full inquiry, and in the presence of the whole of the village community; they being in all instances fully apprised of what was going on, and co-operating in the work.

3490. Within what period have those surveys been made?—The last of them

them has only recently terminated ; they have been going on for probably ten or fifteen years.

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3491. At what rate of expense are those surveys formed ?—The expense is considerable ; I cannot state it from recollection ; the particulars of those surveys may be laid before the Committee.

3492. Did those surveys proceed upon an average ascertainment of the produce of the land ?—A minute account was taken of the state of the land in each village ; the fields were examined in the presence of the surveying officer, and with all the assistance he could procure, not only from his own servants, but the village community, the people themselves who were interested, and also the ryots and people of the neighbouring villages, who were invited to attend. The exact limits were put down of the village, and even the detail of land within the village, the productions, houses, fruit-bearing trees, and so on. The assessment, grounded upon these particulars, by the surveyors and the assessors that accompanied them, was to a certain degree conjectural ; it was the best estimate they could make, from all the information that could be procured, of what the land could afford to pay.

3493. Then those surveys contained an estimate of what the produce of the land was likely to be ?—They did.

3494. Is that merely a conjectural estimate, or is it an estimate founded upon actual information ?—Every species of information was taken : the accounts of each village for a number of years were inspected ; what the village had paid was carefully ascertained ; this information was corrected as far as possible by the oral evidence of the inhabitants and the people upon the spot. After this the opinion of the assessor, what the village could afford to pay, was set down ; the actual determination of government, with respect to the payment, was a subsequent operation.

3495. In general has the assessment, as rated by the surveyors, been adopted by the government ?—Either exactly, or with a great approximation ; and it does not occur to my recollection that in any of those cases there has been complaint of over-assessment.

3496. In any cases has the assessment been diminished ?—At Bombay, I think not any.

3497. Are you speaking now of the whole of the territories within the Bombay presidency ?—No ; only those that have been surveyed in Guzzerat and Baruch.

3498. Do you know what was the general proportion of the rent of the gross produce in cases of those surveys ?—Any proportion of the gross produce I think was very little considered as a standard to go by ; previously, at least, to the operations of latter years, a different standard had been pointed out. It had been stated from home that no proportion of the gross produce was a proper standard ; that the proper object of consideration was what the land, from its degree of fertility, could afford, over and above a

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complete remuneration to the cultivator for his labour and the use of his capital; which surplus was to be considered as the uttermost boundary of what was to be taken by government.

3499. Could that be ascertained without coming to a knowledge of the total produce?—It appears to me that the mode of ascertaining it is, to estimate as accurately as can be what such and such lands will yield under such and such a cultivation, and what is the cost of that cultivation. There is no doubt that any estimate of that sort, even in the hands of the most experienced persons, must be somewhat uncertain; it is not likely to be very correctly made; we know that it is but rarely so made even in England, where there has been so much experience, because nothing is more common than for the owners of estates to exact, and their tenants to undertake for more rent than they can pay.

3500. In the cases in which the ryotwar system has been established, have you any means of ascertaining what the feelings of the people are with respect to that mode of levying revenue?—I believe that the people are always partial to it; not so much perhaps, in the first instance, from the idea that they may profit by it, that they be better protected under it, as from its being a more honourable thing, in their estimation, to pay directly to the sircar than to a middle man.

3501. And more consistent with previous usage?—Not more consistent with previous usage, as far as the heads of villages are concerned; it having been, as I conceive, the general mode under the native governments to transact with the heads of villages, or to farm large districts; and even where large districts were farmed, the farmer himself usually collected through the heads of the villages.

3502. Then you think it is upon the whole more satisfactory to the people to be under the ryotwar system than to be under any other mode of collection?—Allowing for exceptions, that is the inference I should form. I have no doubt that they prefer transacting immediately with the sircar's servants, as a more honourable thing.

3503. Do you conceive that, besides its being esteemed more honourable to transact business with the sircar, the ryot actually derives any practical advantage, or that it is merely matter of opinion and feeling?—In the mind of the ryot at first it is probably a matter of feeling almost entirely. With respect to the ultimate advantage to the ryot, there will no doubt be considerable diversity of opinion, as at present any opinion must be very much inferential. In those cases in which under the ryotwar system the assessment has been too high, the ryot has not as yet benefited by the ryotwar system; and it is only in cases in which after experience the assessment may be brought down to a reasonable rate, that the condition of the ryot will begin to be benefited by it. If the idea is well founded with which I am very strongly impressed, that when the assessment is brought down to a reasonable

reasonable limit, the ryots will under that management be much more protected from undue exaction than under any other, they will be unspeakably benefited.

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3504. In the first instance, you conceive that the preference that the ryot gives to a transaction directly with the sircar, arises rather, to a certain degree, from a feeling perhaps of pride, than from any calculation of pecuniary advantage?—I think so.

3505. Do those answers refer to the provinces in the Deccan generally, or only to particular parts?—This answer refers to the ryotwar system generally, which prevails but little either in the Deccan, or in any other part under the Bombay presidency.

3506. In the ryotwar system, is not the ryot brought immediately into contact with the government; and in case of default, is not the immediate punisher of the default the government?—Yes.

3507. Is that likely to create feelings towards government different from those which would be created in the case of the zemindary settlement, where the immediate instrument of punishment is the zemindar?—I think there is no evidence of its having produced any such effect, and I should not think it likely that it should be produced.

3508. Why should you think it not likely?—The ryot, in all cases, knows perfectly well that when he pays the revenue, whether he pays it through the head man of the village or other middle-man, it is paid on account of the government, as much as when the payment is direct; if he is oppressed, therefore, it appears to me that his feeling must be the same towards the government in the one case as in the other; and I believe that in general, amongst these ryots, their resentment does not go beyond the immediate object: they feel resentment in abundance at the tehsildar who oppresses them, or possibly at the collector, if they apply to him without obtaining redress, but I do not imagine that their resentments go any further.

3509. If the person against whom his resentment is excited is the immediate agent and representative of the government, will not his resentment be transferred to the government in a greater degree than when there is the intervention of the zemindar and the tehsildar?—I should think not; if it extends beyond the immediate instrument in any case, so that they trace the exaction to its source, I think they must be able to do so as well where the middle-man is the agent as where it is the tehsildar, and that they consider the middle-man as much an agent of government as the tehsildar.

3510. Under the ryotwar system, if the ryot is divested of his land from default, is it not in his power to return to the possession of it at any subsequent period?—That claim is maintained by a class of persons under the Madras presidency, who are called meerasadars; even should they have abandoned their fields, as they do when an assessment is demanded which

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3511. Is that common to the ryotwar system in all parts of the country?—I should say, from my present recollection, that this claim is peculiar to the meerasadars.

3512. Is it a claim allowed by our government?—It has in some degree been limited by our government. It was found, where the lands of the meerasadars were abandoned in this manner, that there was no possibility of having them occupied without great disadvantage; because the intermediate occupant was wholly uncertain with regard to the period of his occupancy, if he was liable to be dismissed by the meerasadar whenever he returned, and accordingly government have assumed the power of assigning by pottah these lands of the meerasadars to intermediate tenants, for a period of years; and it has been under consideration, though I do not recollect whether or not the suggestion has become law, to name a period beyond which the claim of the meerasadars should not be sustained.

3513. Wherein does the situation of the meerasadar in Madras differ from the khoodkhast ryot in Bengal?—According to my conception of the matter, the right of the khoodkhast ryot, and that of the meerasadar, are not essentially different. The difference consists, I think, in certain peculiarities. Over a great part of the Madras territory where those meerasady rights are claimed, the rights of the khoodkhast ryots generally have become extinct. The greater portion of the inhabitants of the villages do not claim the hereditary right; the meerasadars are the only parties that continue to claim that right, but they commonly claim something more. There are certain fees, dues and other privileges in the villages to which in general they advance claims; and they appear to me in those cases to be the descendants of the principal families who had borne office in the villages, and to whom, in that capacity, those dues belonged. Those two circumstances taken together, the hereditary occupancy of the khoodkhast ryots, and the claim to certain dues and distinctions in the village, which also had been enjoyed hereditarily, appear to me to account for the whole of the meerasady rights.

3514. Do you conceive that meerasady rights, or something very like them, existed throughout India till disturbed by the various modes of settlement which have been made?—The khoodkhast ryots I consider to have been universal in India, and the land to have been held by them, with few exceptions; I also conceive that the principal offices in the villages were hereditary in certain families, to whom belong advantages similar to those now claimed by the meerasadars at Madras; that is, certain dues and privileges beyond the perpetual occupancy.

3515. In answer to question 3327, you mentioned, as an objection that had been made to the putcut system, that it did not provide for the case of
 a ryot

a ryot obliged to discontinue any part of his cultivation in one year through accidental misfortunes. Then, in answer to question 3331, you mention a suggestion for getting over one difficulty of the putcut system; but your answer still leaves it to be inferred that all land is to be assessed according to its fertility, whether actually cultivated or not. Has any mode been suggested for obviating the objection which has been referred to?—The difficulty which the question refers to, as I understand it, is the difficulty which, from his poverty, and from the great fluctuation of the seasons, the ryot feels in paying a fixed rent for any number of years in succession, it being often impossible for him to cultivate nearly as much in one year as he may have done in another year; and if the rent is charged upon him for the whole of a certain holding in a year, in which it may be impossible for him to cultivate more than one-half of it, it cannot be paid. That seems to imply the necessity of taking account of the particular land cultivated in each year; that difficulty still remains, and it is not to be got over.

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3516. Does it appear that in Coimbatore that has been greatly felt, seeing that the revenue has been increasing?—There is no complaint of that evil in Coimbatore, as far as I am aware; the objection has been started by collectors in other places.

3517. You mentioned the average size of a Bengal collectorate; what is the average size of a collectorate under the ryotwar system?—If that means either the territorial extent or amount of population, I cannot give an immediate answer. It has been considered that a collection to the amount of twelve lacs of rupees for one collector should be considered as a species of standard.

3518. Does that apply equally to the ryotwar and the permanent settlement?—The same rule does not apply to settlements in detail, and to the permanent settlement. Under the last, the collector is a sort of receiver-general, and can manage a much greater extent of country.

3519. Then, in fact, a much greater number of European servants are required under the ryotwar system?—A much greater number.

3520. Does not the administration of the ryotwar system require a great share of intelligence and temper, and discretion on the part of the collector?—Those are most valuable qualities under all systems, and where there is a want either of discretion or intelligence, and perhaps still more a want of vigilance, the business is sure to be ill-performed, peculiarly so under the ryotwar, because under that system a great deal must always depend upon the qualities of the superintendence.

3521. Do you conceive that the service furnishes a sufficient supply of competent persons for the ryotwar management?—I believe that in general the ryotwar collectors have more to do than they can do well. But the only obstacle to the augmentation of their number, is the expense.

3522. You have mentioned that in the ryotwar settlement the collector deals

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deals directly with the ryot ; was it not part of Sir Thomas Munro's system that the potail should be extensively employed in the administration of that system ?—The potail had various duties ascribed to him : latterly under Sir Thomas Munro's system, he was made a species of magistrate and judge in the village, but he was not employed in the collections.

3523. Have you any means of procuring information for the Committee as to the proportion which the collections in the ryotwar districts, in which there is a permanent maximum, have borne to that permanent maximum ?—I think such an account may be made out.

3524. Under the village settlement, supposing one ryot to fail, are the other ryots liable to make good the deficiency ?—Not at all.

3525. Is not that the case in many of those village settlements ?—Not now. At first the people of the village were made responsible for the default of particular individuals among them, to a certain extent ; to the extent, I think, of ten per cent. ; but that practice has been abolished, prohibited, and declared illegal.

3526. What was the settlement in Cuttack, before Mr. Wilkinson settled it ?—A zemindary permanent settlement.

3527. Of what class of persons, generally, were the mootahdars established in the Madras territory, at the first introduction of the permanent settlement ?—I am not informed particularly as to the class of persons. I infer generally from all I know, that they were parties connected with the districts, and they must, to a certain extent, have been persons either of substance or of credit.

3528. Do you apprehend that they were, any of them, cultivating ryots ?—Not cultivating ryots ; because, in general, a sum was paid for the mootah : they were put up to sale.

3529. On what authority or evidence do you say that the dacoity did not prevail before the permanent settlement, as it has prevailed since ?—It was understood, when it broke out in Bengal a good many years ago, to have broken out in a degree that was never known before ; so it was reported.

3530. Do you conceive that the inconvenience ascribed to the ryotwar system, from the corruption of the native servants, has had an extensive effect upon the collections ?—The answer to that question can only be conjectural ; there is no precise data from which an opinion can be formed. I have no doubt that the effect of the corruption of the native servants has been very considerable ; in some instances it has been found to have gone to a great extent. The case of Coimbatore is one of the most remarkable, but occurred antecedently to the introduction of the ryotwar system in that district.

3531. Is it not probable that the ryots, under the permanent settlement, suffer all the inconvenience, if not much more than that which we see in the worst

worst cases under the ryotwar system, but that from the nature of our connection with them we do not perceive it?—Yes, that is my opinion. I think there is evidence to prove that under the zemindary system every thing is taken from the ryot that can be taken from him. The great present difference between the two cases, in my opinion is, that under the zemindary system the condition of the ryot is hopeless and remediless while the system lasts; on the other hand, I infer very strongly that under the ryotwar system the remedy is by no means impracticable.

3532. Are you aware whether the condition of Guzzerat, of which you have spoken, is essentially different from that of the other provinces in the western parts of India, as being a richer and more agricultural country?—A great portion of Guzzerat is fertile, and in those districts that have been regularly and minutely surveyed, I have no doubt that the revenue is collected with more certainty, and the capabilities of the soil better ascertained than in any other.

3533. Have you, from any reports you have seen, ascertained the condition of the principal inhabitants and owners of the cultivating class of that country with respect to their houses and their comforts, and their property generally?—I have no minute evidence to that effect. From the general import of the evidence afforded respecting that country, it may perhaps be inferred that the condition of the people there is less distressed than in most other places in India.

3534. Are you aware that the late Mr. Duncan, as well as Mr. Elphinstone who succeeded him, in settling it paid a most minute attention to preserve, in every fiscal arrangement, the usages and habits, as far as he could, of the cultivators and inhabitants of that country?—That was always a great object with Mr. Duncan.

3535. And have not his successors maintained the same species of administration towards it?—Yes.

3536. You have stated that there was a correct survey, accompanied with reports, furnishing a most detailed account, both of the extent of country, the nature of the soil, the amount of revenues collected, as also statistical accounts; are you aware that that was a survey conducted by military officers, and separate from the collection of revenue?—Yes.

3537. Are you aware of the circumstance of that survey having been altered three years ago, and of its being now conducted upon the same principles by natives of India, under the immediate orders of the collector, for the purpose of aiding him in the fiscal administration of the country?—Yes, and that it is now carried on with a great diminution of expense. We have not as yet received evidence in this country, particularly as to the operation of it in this new form, but I have no reason to believe that it is not going on perfectly well, and certainly with a great diminution of expense.

3538. Speaking of the Deccan and other parts of that country, you are aware

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aware that that country has been, during very nearly a century, a theatre of war, and that all accounts and settlements connected with the villages in that tract of country, had been almost entirely destroyed when it came into our possession?—Certainly; it was for the period mentioned subject to the inroads and ravages of lawless and undisciplined armies of various descriptions.

3539. Are you aware that a revenue survey assessment, distinct from a geographical survey, is now in progress in that country?—Yes.

3540. Are you aware that both in Guzzerat and the Deccan the greatest pains have been taken, and that the completest records are placed in possession of government, and the authorities at home, describing every tenure by which land is held, either in proprietary right, or in claims by village officers, or in occupancy by the ryots?—Great pains have been employed to obtain information as to all those points.

3541. Are you aware that in the revenue assessment now going on, the utmost attention has been paid to re-establish in the country of the Deccan all rights of village officers and others; and that the utmost attention has been paid to their hereditary rights, and that a settlement of them is in complete progress?—Yes, there is very satisfactory evidence that such have been the instructions of government to the officers employed in those districts, and from their report there is also evidence that those instructions have been very carefully attended to.

3542. Do not you conceive that under all the disadvantages of making a survey so minute as the revenue assessment survey, it is the nearest approximation to the truth to which the government can come, both in relation to its own rights, and the rights of the inhabitants and cultivators of the soil?—When a survey of that description can be made with accuracy, there is no doubt that it is a most important record; but the difficulties in the way of getting it with an accuracy that may be in all cases depended upon, are very great. My notion is, that a good deal will be wanting in the possibility of the requisite accuracy in the first instance, such accuracy as to be depended upon for the proof of rights; I should imagine that in most cases, notwithstanding this record, although it would afford important assistance, yet a careful and vigilant judge, who had a cause to try involving the question of rights, would think it necessary to have recourse to ulterior evidence.

3543. The question refers not to the judge, but to the collector in regulating his collections. Is it not the nearest approximation that can be made to the actual contents of the land and its production, and to judge of the revenues that may be collected?—I have not the least doubt that it is a mode of obtaining the most perfect knowledge, and that no other mode besides a careful inspection can be effectual to that end.

3544. When that assessment is made, and a register of the fields, and of the maximum that can be levied, is left in the village according to the rules, and another in the collector's office, do not you consider that those records furnish

furnish the best check that can be instituted against the frauds of intermediate agency?—They are, so far as correct, invaluable checks.

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3545. Do not you consider that native servants employed in the revenue line who are placed in higher situations than formerly was the usage, receiving better allowances, and being treated with more respectability, may become under an assessment of this kind subordinate instruments, that will in a great degree diminish the want of European agency?—I have no doubt, that under a liberal treatment, and under a vigilant superintendence, and with the progress of education, the qualities of the native agency will improve, and after a time will improve rapidly, and undoubtedly as the natives become fit for trust and employment, the amount of European agency may be diminished.

3546. Should not you make a considerable difference with respect to the measures necessary to be taken in a revenue survey, between those countries, where from their having enjoyed a complete peace, their village records are in such condition that they can be referred to and verified and examined; and a country such as the Deccan, where those documents have been almost entirely destroyed?—I conceive that a correct assessment of the land, and a satisfactory collection of the revenue, is a much more difficult thing, in countries in those unfortunate circumstances, than it is in other situations. It is much more difficult to ascertain what a village can pay, in such circumstances, because the land has been rather half cultivated, than entirely cultivated. The capabilities of the ryots, from their extreme poverty, may be also considered as greatly reduced; but the degree to which they are reduced, and the degree to which they may be able to turn to advantage the qualities of the soil, must always be a matter of great uncertainty till experience has been gained.

3547. Do you not consider it of very great importance, in the present situation of India, to introduce a class of inhabitants and cultivators, who shall be in the possession of property sufficient to enable them to cultivate sugar, indigo, silk, and other things besides grain?—There can be no doubt, that it is of importance to have in India, as well as in any other country, persons in circumstances to raise any produce for which there may be a profitable demand.

3548. Do not you consider that in the interior provinces of India it is of great consequence, that every possible encouragement should be given to cultivators in those provinces to become improvers of the soil?—They should be encouraged undoubtedly, so far as the removal of every obstruction goes.

3549. Are you aware that in the revenue assessment instituted in the Deccan, it is part of this plan that the pottail, or head of the village, should in fact be employed in the fiscal administration, as a person that was to be accountable to a certain extent for the revenue collected upon the lands

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of his village?—Yes; I conceive that to be the system generally in the Deccan.

3550. Are there any points in which you conceive that the revenue system of India can be improved by any legislation in this country?—I am not aware that legislation in this country can do much. I should find it exceedingly difficult to frame a law adapted to the case, if I was called upon to do so.

3551. Should not you conceive, that if any material improvement is to be made in that system, it must be made by the local governments of India?—I think entirely so; not, undoubtedly, excluding suggestions from this country; but I think that the whole of the details of legislation must be left to the authorities on the spot.

3552. Do you think that it is possible for Parliament to interfere in any way in the internal system of the collection of the revenue in India?—I think they will do so with great hazard.

3553. Have you ever considered whether it would be a great advantage to India, to substitute other sources of revenue for the land revenue, which is established in that country?—Quite the contrary; my opinion is, as I have already stated, that a system of land revenue, where means are taken to confine the collection to rent, and where it is not allowed to exceed the limits of a reasonable rent, is one of the most favourable circumstances in the condition of any country; because, so far as the wants of the state can be supplied from that source, such a country is untaxed.

3554. Is it your opinion that the revenue system might be so improved as to render the present system of taxation the best that could be devised for that country?—That is my opinion.

3555. Can you point out, shortly, the means by which you think the system might be brought to that condition?—The means, as was implied in a previous answer, must be left, in a great degree, to the intelligence of the local authorities. If we are agreed upon the fundamental principle, that it is the obtaining of a fair rent, the grand endeavour obviously is, to limit the collections to this rent. Now, the doing this is unquestionably a matter of extraordinary difficulty. The difficulty of it must never be overlooked. We have none but very imperfect instruments to employ; with a total absence of a moral feeling in the country to aid us, it is not shameful to be dishonest in a public trust; no discredit attaches to a man in such a situation for robbing either his fellow-subjects or the government; and if he does not avail himself of his advantages to make himself rich by any means, he is rather reckoned to have behaved unskilfully than to have behaved honourably. When we consider, in addition to these circumstances, how imperfectly any one European, with an imperfect knowledge of the natives, their language and circumstances, and with the large extent of country to attend to, can watch over the numerous individuals that he employs, it will be easily understood that the difficulty is exceedingly great of limiting the exaction
upon

upon the ryot to the rent ; but means, I have no doubt, will be discovered by vigilance and care, and by improvement of the judicial business generally, the great instrument of protection in the long-run, aided by those improvements in the education and intellects of the people, which will take place gradually, and which have been taking place ; I have no doubt that means will be found of limiting the demand upon the ryot to a moderate rent, and then I conceive that the prosperity of that country will be as fully secured as it can be.

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3556. Do you then resolve the whole question of the revenue system in India, into the moral condition of the natives ?—That is one of the causes of the difficulty of limiting the demand to an adequate rent : but another great difficulty undoubtedly is found in estimating, correctly, the capabilities of the land, what in each instance the rent is. The best mode of approximating to correctness, will probably be an attentive observation of the effect of any particular amount collected ; whether the payment is made with difficulty or with ease ; to watch carefully till evidence is obtained, that what is exacted of the ryot is only a moderate exaction. It is well known how difficult it is for a proprietor in England, and with the aid of the most experienced people, to ascertain correctly the capabilities of his various farms. Where so much more is to be done, and the instruments so much more imperfect, the difficulties and uncertainties must be greatly multiplied.

3557. Two main difficulties which you seem to consider as impediments to the improvement of the revenue system in India, are, first, the want of sufficient means of agency, and in the next place the difficulty of administering justice ; would not the former of those difficulties be greatly remedied, if the natives could be raised to such a moral condition that they could be extensively employed ; and with regard to the administration of justice, would not that be greatly facilitated, if they not only could be more extensively employed in its administration, but if they were more trustworthy with regard to giving evidence, and so on ?—There is no doubt that a great portion of the difficulties which now obstruct the satisfactory collection of the land revenue arises from the moral condition of the natives.

3558. Is not one inference from this view, that, whatever change may take place for the improvement of the revenue system in India, must be a gradual change, and cannot be effected by any specific Act of Legislation ?—Various things might be enacted that would aid the process, but with that limitation I should answer the question in the affirmative.

3559. In the opinion you have given respecting the moral character of the natives, do you refer to the former period of our rule, when the classes of persons employed were different from those at present employed, and when our own knowledge was less, or to more recent times, since the natives have been brought forward in the judicial and fiscal lines into higher situations, and have been more confided in by Government ?—I should not make any very great distinction between the two periods. Although I have no doubt

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that a commencement of improvement in the moral condition of the natives has been made, I conceive that all improvements of that sort are slow, and must be very slow under the unfavourable circumstances in which the natives of India remain after being placed for many generations under the demoralizing influence of a bad government, under which they found their protection against oppression in nothing but cunning and fraud.

3560. Do not you conceive, with reference to your general conclusion as to the character of the natives of India, that falsehood and a want of moral sense are the arms that persons subject to a despotic and tyrannical government employ for their own protection, and that in countries where they have seen a different rule established a great proportion of them have returned to a better condition in point of their moral feelings?—I have not the slightest doubt that the operation of our government has had a very salutary influence in that respect, and that it will go on gradually, rendering its good effects more and more visible; but I do not imagine that such progress has yet been made as to render it safe to trust the inferior people that we employ, or to relax the most vigilant superintendence.

3561. Are you aware that for the period of seven years past the native commissioners have had the decision of civil suits in the Deccan and Southern Mahratta countries to an amount of 5,000 rupees, and that they have acquitted themselves of that judicial trust to the great satisfaction of the Government?—Moonsiffs, with similar powers and similar jurisdictions, have been established under the other presidencies; and that they have rendered useful service I have no doubt, but in Bengal and also in Madras there is evidence of no small amount of corruption, and I should imagine that the corruption is not less in the Deccan.

3562. Are you aware that the government of Bombay, acting upon the testimony they have received of the faithful and honest manner in which those duties have been fulfilled nearly two years ago, gave the original trial of all civil suits to them, and that for eighteen months they have given general satisfaction, having had their pay raised and the way to honour opened to them?—I have no doubt that their conduct has been improved, and the facts with respect to the powers that have been entrusted to them, are such as are referred to in the question.

3563. Are you aware that the native sub-collectors of provinces have not only with increased pay and respectability been employed in the collection of revenue, but have had police duties and magisterial duties to a very considerable extent trusted to them?—They have.

3564. Have you heard that they have or have not proved worthy of that trust according to the records of government?—The evidence, since they have been employed in the Deccan, is not very decisive. I recollect no complaints on the records of government respecting them in Guzzerat or the Deccan, but there have been heavy complaints respecting functionaries of the same description in the other presidencies.

3565. You

3565. You expressed an opinion that the present system of revenue in India was as advantageous as any system that could be devised. Do you apply that generally to the revenue, or only to the land revenue?—I apply it to the land revenue, and in a limited sense. I stated that my conception was that the collection of land revenue in India hitherto has never been limited in the degree which it appears to me necessary to limit it, in order to render it a salutary and good revenue system. If it were limited to the rent merely, and the collection were not carried beyond the limits of a moderate rent; if that could be obtained, and I am not aware of any impossibility of attaining it, then I should say that the revenue system in India is the best in the world.

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3566. Then the favourable opinion you express of the revenue system of India is to be considered as merely applicable to the land revenue?—Yes, when that perfection is attained which, if vigilantly pursued, I have no doubt is attainable. As soon as that point is attained, when the expenses of government are so confined, and the rent of the country is so augmented with the increase of population, that the revenue derived from the rent of land will be adequate to all the exigencies of government, all other taxes without exception may then be abolished, and India will be a country altogether untaxed.

3567. Then you do not apply the high estimation in which you hold the revenue system of India to the sayer duties, and the revenues derived from opium, salt, &c.?—Certainly not.

3568. Would not such improvement as that which you suggest in the levying the land revenue in India, namely, limiting it to a moderate rent, be necessarily followed by a large immediate reduction in the revenues of the state?—It is difficult to say at the present moment to what degree the collections exceed the rent upon the whole. I should not imagine, although it be to an extent to be considerably oppressive to a poor people, that the real amount beyond the rent is very considerable; but even if it were considerable, it is quite certain that the rent of land must increase along with the increase of population and extension of culture; and it is not unreasonable to expect that a rent may be easily derivable from the land, after a lapse of years, much greater than that which is oppressive at present.

3569. The question did not apply to the prospective recovery of the amount of revenue, but as to the immediate effect of limiting it upon the principle you have described; must there not be an interval in which the revenues of the state would be deficient?—It is likely that it would make a considerable deficiency if the assessment were at present brought down to the degree which I should think advisable; but that I think should in no instance hinder the reduction wherever it can be ascertained that more is taken than a moderate rent, because that is all which can be taken without permanently keeping down the country, without arresting improvement; and therefore if it is ascertained that there will be a considerable reduction of the
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revenue in consequence of so limiting the assessment of the land, every exertion ought to be made to bring down the expenses of the state, so as to enable this to be effected.

3570. In what manner would you fix the rent?—I would fix it in no other way than by ascertaining as accurately as possible what is the rent that such a portion of land could afford; that must be ascertained in India in the same manner as it is ascertained every where else.

3571. Is it not however a fact, that at the present moment the charges upon India considerably exceed the revenue?—The charges upon India do exceed the revenue.

3572. And that the estimate for the year 1834, which has been laid before the Committee, shows an excess of charge over the revenue of £800,000?—That may be the case.

3573. Under these circumstances, do you think it very likely that the government will be able to resort to that system, implying a considerable reduction of revenue, which would place the ryots in the condition that your answers have supposed?—I should say that every exertion ought to be made to enable them to do so; I think it would be an impolitic thing to order it to be done immediately, but I have no doubt that every exertion ought to be made to bring affairs to that condition.

3574. As a very considerable time has elapsed since our possession of the greater part of India, has any progress been made in the accomplishment of that object?—I should say great progress, because in cases without number a diminution of the assessment has taken place; and it has been ordered, that in all cases where any symptoms of over-assessment appear, a reduction should promptly take place, and that the limit should be to allow a full remuneration to the cultivator for his labour and the use of his capital.

3575. Do you consider that principle to be really established in any part of India?—With regard to any province, or perhaps any considerable district, taken generally, I should not venture to say so.

3576. Where the rent assessed is so excessive that it cannot be realized, this diminution, of course, cannot be stated as a loss to the revenue?—Quite the contrary; wherever it exceeds the proper amount it is uniformly followed by a diminution of the receipts of subsequent years; and a pressure upon the ryots for a single year has very frequently been found to occasion a diminution of cultivation for a number of subsequent years, so that government, even with the narrowest view of its own interest, must be anxious to avoid over-assessment.

3577. Is not the extension of the cultivation of the soil an obvious mode of increasing the land revenue?—Doubtless.

3578. Is there not a large portion of land not cultivated at present, both in Bengal and elsewhere, which is capable of being applied to the purposes of cultivation?—A large proportion.

3579. You

3579. You have stated, that in the instances in which the cultivation has been so extended, it has been done by the ryots themselves, rather than through the interference of a zemindar?—Yes.

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3580. Would it not be a great object to give greater encouragement to the ryots in so extending the cultivation to those lands?—No doubt.

3581. Would not the means of that encouragement be found in extending and making more universal the system of granting pottahs of the land?—The difficulty with regard to pottahs is that which I have mentioned; the fluctuation of the seasons and the fluctuation in the circumstances of those impoverished people. These fluctuations render any amount fixed for a number of years, exceedingly uncertain of collection. The untoward circumstance of the improvidence of the natives, who seldom husband the resources of a favourable year to supply the deficiency of an unfavourable one, renders the difficulty greater. If a rent proportioned to a medium year, and a moderate rent, is settled, the effect will be that you will receive no more than this medium rent in a prosperous year, and you cannot receive so much in unprosperous years; so that something considerably less than the moderate medium rent is thereby ensured to the government, without an increase of wealth to the cultivator.

3582. Would not a further means of encouraging the ryots to extend cultivation to land at present uncultivated, be found in giving facilities beyond the three years' exemption of rent on waste land, which is now the practice?—A difficulty, in regard to this, is the want of capital. In a great part of India, even the cultivated part, the ryots are too poor to cultivate their present lands, and the practice exists of aiding them with capital; this is so common as to have a name: it is called tuccavee. This granting of tuccavee, however, requires careful superintendence to prevent it from being a source of abuse; there is difficulty in recovering it, and it is liable to fraud in the distribution. If tuccavee could be correctly advanced, the most effectual means of encouraging cultivation of the waste would be, I think, to advance tuccavee liberally to the ryots who engaged in it.

3583. That object, it is presumed, could only be effected on those estates which are in the hands of government?—Only on those, because if effected in other cases it would be for the benefit of the zemindars, not of government.

3584. Do you conceive that it would be a great object, in a public point of view, that the government should come into the market, on all occasions on which the estates of the zemindars were brought to sale?—I think it ought to be left very much to the sagacity of the officers upon the spot, to determine in what instances it can be done with any reasonable advantage, and when not. There is no doubt that the appearance of government in the market would have a tendency to raise the price, and produce in consequence an over-payment.

3585. Are

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3585. Are the zemindars in the habit of raising money by loan, in the way of mortgage?—They raise money by way of loan; to what degree it can be considered mortgage, I do not feel myself competent to speak.

3586. Do they raise it upon mortgage bearing interest, and so that the creditor can come in and take possession by means of foreclosure?—Mortgage, I imagine, among the zemindars is by no means a common thing. The interest of money is exceedingly high to the zemindars; at this time, when money is borrowed by government at four per cent., it is reported that twenty-four per cent. and even thirty per cent., is a common rate paid by the zemindars in Bengal.

3587. Upon what security does the zemindar raise money?—Upon his personal security and his property, which is sold for debts to his private creditors, as well as to government. A zemindary will be sold in the execution of a decree, as well as for arrears to government.

3588. Can you state the annual amount of tuccavee under the presidency of Bengal, distinguishing the amount in the provinces of Bengal from those of Benares and the upper districts; and can you also state the amount advanced under Madras and under Bombay, stating if there are any portions under each of them to which tuccavee is not advanced?—The government advances no tuccavee in any of the permanently settled districts, because there it would be advancing to the tenants of the zemindars. It is very possible, that the zemindars advance, but of that the government does not take any account. Tuccavee is advanced in the other provinces, but we cannot afford a full account of it. I directed yesterday, at the India House, an account of tuccavee to be made out for a number of years, as one of the best sources I could have recourse to, to estimate the progress of the circumstances of the ryots, whether they were advancing or not; because if the amount of the tuccavee advanced appeared to be lessened, I should have inferred that the circumstances of the ryots were improving; but only for Madras I find that the account could be made out. I have a statement of the advances of tuccavee in the Madras district from 1820 to 1827. This affords no favourable inference in regard to the circumstances of the ryots. The increase of the advances may indeed be accounted for in two ways, without supposing that there is a real deterioration of the circumstances of the ryots. It may have been granted in consequence of extended cultivation; and it is certain that there has been more demand in the last few years, on account of the unusual badness of the seasons. In 1820 the amount of tuccavee within the Madras presidency was nearly eleven lacs; in 1821 it was somewhat less than ten lacs; in the year after it was eight lacs 75,000; in the next year it rose to eleven lacs 73,000; the next year it was ten lacs and a little more; the next year ten and a half lacs; and in the next year, 1827, it was twelve lacs 36,000.

3589. Are the Committee to understand that that money is advanced to the ryots out of the revenue collected, to enable them to carry on their cultivation?

tivation?—It is advanced from the collector's treasury, at the period when cultivation commences, to such ryots as can afford reasonable security for the repayment of it.

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3590. What rate of interest is charged to the ryots in Madras for the use of money thus advanced?—I think twelve per cent.

3591. Will the accounts you have directed to be made out, show how far the monies advanced in tuccavee have been recovered, with all the interest, at twelve per cent., which are the terms upon which that has been advanced?—Yes, the degree in which it has been recovered may, I imagine, be ascertained from the accounts.

3592. Would those accounts state the number of applications, or can you state whether all the applications for such advances are granted according to the demands of the ryots, or whether any rule of limitation is laid down?—The account will not exhibit the number of applications, nor can I speak to them in any other way than by inference; compliance with the application is a matter for the discretion of the collector.

3593. Would not the number of demands for assistance be a better index of the state of the district, than the actual amount that may be advanced?—I am not sure of that, because the demands are very capricious, and I should trust more, I think, to the amount advanced than to the applications.

3594. Do not you know that in point of fact the demands depend upon the state of the preceding year's crops, and the situation in which the ryots are left?—The ability of the ryot depends undoubtedly upon the state of the previous crops, and upon all the circumstances that effect the gains of the year; but his demand for tuccavee does not depend upon those circumstances exclusively, it also turns to a considerable degree upon his anticipation of the advantage he can make by it.

3595. Is not the necessity of those advances a sure index of the poverty of the rural population to carry on the cultivation of the country?—I consider that such advances are only needed in countries where the agricultural population is poor, where there is a great defect of capital for the business of cultivation.

3596. Comparing the state of the population in the provinces of Bengal, with their condition in the other districts; are you prepared to state that the circumstances of the ryots in Bengal are so much superior with regard to capital to those of the Upper Provinces, as not to require the same indulgence and assistance in advances?—In regard to what they do receive, we have no means of ascertaining that because the zemindars advance it to them; but I have no reason to believe that the ryots generally in Bengal, are not in as wretched a condition as anywhere else in India.

3597. Are you able to state from any documents you have had recourse to, whether the same proportion of tuccavee is advanced by the zemindars in the settled districts, as what is advanced by the government in the upper districts?

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3598. Is not tuccavee advanced very often for making wells, and for general improvements in cultivation, as well as for waste lands?—It is advanced generally for all the purposes of the parties who apply for it, whether they are individual ryots or villagers.

3599. Is it not advanced for general improvements in the cultivation, if the ryot can give sufficient security?—It includes all exigencies of the ryot, and is advanced generally, not with a view to improvement, but to carry on the customary cultivation.

3600. In every tuccavee advance, do not the stipulations require the repayment by instalments at the same time that the revenue is paid, and if so, would it not be impossible to apply it to improvements of wells if the repayment is understood to be derived from the produce of the crops?—When the advance is made on account of wells, a particular bargain is struck, repayment is made by distant instalments; commonly, however, when the ryots apply for tuccavee on account of wells, which they are otherwise unable to make, the well is made wholly at the expense of government, and paid for by an increase of rent.

Martis, 16^o die Augusti, 1831.

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THE two following Petitions, presented to the House on the 28th June and the 20th of July 1831, and referred to this Committee, were read.

Petition from
China.

THE humble Petition of British subjects in China, sheweth, That the Petitioners, having long submitted in silence to the absolute and corrupt rule of the Chinese government, consider it a duty alike owing to their country and to themselves, to bring their grievances to the notice of the House at this important crisis, when the regulation of British intercourse with China engages the attention of the Legislature, in consequence of the approaching termination of the East-India Company's Charter. While British intercourse with every other considerable state in the world is regulated by international treaties, that with the Chinese empire is abandoned to the arbitrary control of the local authorities of Canton, a venal and corrupt class of persons, who, having purchased their appointments, study only the means of amassing wealth by extortion and injustice, equally unrestrained by their own, and unopposed by the governments whose subjects they oppress; for the attainment of this end, severe burthens are imposed upon commerce, unsanctioned by, and frequently in defiance of,

of, commands from the imperial government at Peking, to which the most unfounded reports are made of occurrences in that remote province, while no means of counter-action, by opposing statements, are in any way afforded to the Petitioners. From the earliest periods of British subjects resorting to that empire, trade has been the sole object, a desire to promote which, and sometimes, it must be admitted, a nervous anxiety for its preservation, have subjected foreigners to privations and treatment to which it would be difficult to find a parallel in any part of the world. China was too remote from England, and the commerce was too limited, to render it in former years a subject of much national interest, but during the whole of the eighteenth, and still more during the present century, it has been gradually increasing, in defiance of Chinese restrictions, until it has reached a point of such important magnitude, as the Petitioners feel satisfied will raise the anxiety of the House to place it, if it be possible, upon a permanent and honourable basis. The Petitioners entertain a firm belief that much may be obtained from the fears, but that nothing will ever be conceded by the good-will of the Chinese government; in confirmation of this opinion, the attention of the House need only be intreated to the total failure of both the Embassies to the Court of Peking in every respect, except the high principle which was maintained in the refusal to acquiesce in humiliating and degrading requisitions, which, the Petitioners are convinced, produced a moral effect of the most beneficial tendency upon the minds of the Chinese. That these Embassies were undertaken with a view to the improvement of the condition of British subjects in China, the Petitioners are deeply sensible, and indeed find this expressed in the instructions from His Majesty's Ministers to Lord Macartney: "Under these circumstances, it would become the dignity and character of His Majesty to extend his paternal regard to these his distant subjects, even if the commerce and prosperity of the nation were not concerned in their success, and to claim the Emperor of China's particular protection of them, with that weight which is due to the requisition of one great sovereign to another." The Petitioners trust that His Majesty's Government may ever be influenced by similar opinions. It is with considerable regret, however, that the Petitioners make another brief extract from the same instructions, unhappily still descriptive of the condition in which they remain: "Hitherto, however, Great Britain has been obliged to pursue the trade with that country under circumstances the most discouraging, hazardous to its agents employed in conducting it, and precarious to the various interests involved in it. The only place where His Majesty's subjects have the privilege of a factory is at Canton; the fair competition of the market is there destroyed by associations of the Chinese; our Supracargoes are denied open access to the tribunals of the country, and to the equal execution of its laws, and are kept altogether in a most arbitrary state of depression, ill suited to the importance of the concerns which are entrusted to their care, and scarcely compatible with the regulations of civilized society." The result of the two British Embassies, in common with those of all other European governments, will forcibly suggest to the House how little is to be gained in China by any of the refinements in diplomacy. The whole history of foreign intercourse with that country demonstrates that a firm opposition to the arrogance and unreasonable pretensions of its government, even with imperfect means, has, sooner or later, been followed by an amicable and conciliatory disposition. While the Portuguese of Macao maintained their independence they were treated by the Chinese government with respect, and carried on an extensive and advantageous commerce, but when they adopted a servile course of policy they were regarded with contempt, and a flourishing colony has gradually sunk into misery and decay. Even violence has frequently received friendly treatment at the hands of this Government, while obedience and conformity to its arbitrary laws have met only with the return of severity and oppression. In the history of English commerce with China many instances of this description exist. When Admiral Drury, in compliance

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with the reiterated commands of the Canton government, yielded up possession of Macao, which for several months had been garrisoned by a British force, the most contumelious and threatening proclamations were issued against him, he was declared to have fled from a dread of the punishment which awaited him. About the same period, after a horde of pirates, well known by the name of "Ladrones," had, for a succession of years, ravaged the southern coasts of the empire, and committed numerous atrocities, their leader, a man of bold and determined character, was received in person by the Viceroy with every mark of respect, invested with a robe of honour, and ultimately nominated to an important official situation; a British Admiral, for his forbearance, was despised and treated with indignity; the leader of pirates and banditti was, in reward of his atrocities, received with the most ceremonious attention, and was ranked among the nobility of the land. It is with no wish to advocate deeds of violence that these statements are made, but such is the people, and such the government of the Chinese empire. This submissive spirit was exhibited in the most striking manner which can indicate the character of a nation, when at the last Tartar conquest this most ancient empire of the world, containing many millions of comparatively civilized human beings, was subdued by its bitterest enemies, and yielded implicit obedience to a tribe of rude and ignorant barbarians. The Petitioners earnestly entreat the consideration of the House to the fact, that the merciless and indiscriminate laws of China, as applied to foreigners, make no distinction between manslaughter and murder. In those cases (happily few) of the death of a native by the hand of a foreigner, the life of an individual of the same nation (it being immaterial whether the offender or not) is invariably demanded, without reference to the palliating circumstances recognized by the Chinese law as modifying the offence and its punishment, where natives alone are concerned; on all such occasions the chief of the nation supposed to be implicated, is required to find out the guilty person, to point out his name, and deliver him up, that the local magistrate may try and punish him, which having been proved by melancholy experience to mean nothing else than summary execution, he is in fact required to select and surrender a victim for strangulation, to appease the sanguinary malice of this government. Such a requisition admits but of one reply, since no foreigners in China have authority from their own governments to judge or deliver up even a guilty fellow subject, and, on the other hand, non-compliance is sure to be followed by a total suspension of trade with the nation concerned. The necessity of thus permitting the guilty to escape, in order to secure the safety of the innocent, is an evil deeply to be lamented, and loudly calling for the interposition of the House. It is much to the honour of the British Factory, that since the year 1784, when an innocent man was seized and executed by the government of Canton, a firm and effectual resistance has been made against the enforcement of this unjust requisition, though such resistance has invariably given rise to suspension of commercial intercourse and long protracted discussions with the government. While the Petitioners acknowledge it as an undeniable principle, that foreigners should yield obedience to the laws of the country in which they reside, they submit, that this doctrine cannot be maintained in favour of a government which, like the Chinese, withholds from foreigners the protection of its laws, and whose power is felt only in a system of unceasing oppression, pursued on the avowed principle of considering every other people as placed many degrees below its own in the scale of human beings. The Petitioners will now briefly advert to some of the principal commercial disabilities to which they are subjected. English ships were formerly admitted to trade at various ports, Amoy, Limpo, and the islands of Chusan and Formosa, but of late the entire foreign commerce of this vast empire has been restricted to the single port of Canton, where the exorbitant harbour dues operate as a virtual exclusion of the smaller class of shipping; while the privilege of dealing with foreigners is confined to some ten or twelve licensed native merchants. Such is

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the oppressive conduct of the local authorities towards these individuals, by a systematic course of constantly recurring exactions, and generally harsh treatment, that respectable and wealthy men cannot be prevailed on to accept the privilege, though earnestly urged by the government to do so, for the purpose of supplying vacancies arising from deaths and bankruptcies. The government being thus unable to maintain in an efficient state the limited medium of intercourse which they have established, and prohibiting foreigners from renting warehouses in which to deposit their cargoes, there is no adequate competition, nor any chance of obtaining the fair market value of a commodity, an evil the more deeply felt in consequence of nearly all the imports in the year necessarily arriving about the same time, during the few months when the periodical winds are favourable in the China Sea. From the moment a foreign vessel arrives, her business is liable to be delayed by underlings of the Custom-house, on frivolous pretexts, for the sake of extorting unauthorized charges; the duty on her import cargo is levied in an arbitrary manner, by low, unprincipled men, who openly demand bribes; it is, consequently, of uncertain amount, and, by the addition of local exactions, exceeds by many times the rate prescribed by the imperial tariff, which appears to be in general moderate, although so little attended to in practice, that it is scarcely possible to name any fixed charge, except on a very few articles. It is unnecessary to occupy the time of the House, by dwelling on the individual and national loss arising from this oppressive and corrupt system; it would be equally out of place to enter into a detail of the many studied indignities heaped upon foreigners by the acts of this government, and by the contumelious edicts placarded on the walls of their very houses, representing them as addicted to the most revolting crimes, with no other object than to stamp them in the eyes of the people as a barbarous, ignorant, and depraved race, every way inferior to themselves, thereby exciting the lower orders to treat them with habitual insolence. Suffice it to say, that no privation or discomfort is too minute to escape notice in the pursuit of this ever present purpose; free air and exercise are curtailed, by precluding access to the country or beyond the confined streets in the immediate vicinity of their habitations; even the sacred ties of domestic life are disregarded, in the separation of husband and wife, parent and child, rendered unavoidable by a capricious prohibition against foreign ladies residing in Canton, for which there appears to be no known law, and no other authority than the plea of usage. The Petitioners consider it a duty which they owe to truth and justice, to declare to the House, that they attribute the evils which have been enumerated, to the nature and character of the Chinese government, and not to any want of proper spirit and firmness in the agents of the East-India Company, who have on various occasions opposed effectual resistance to many of them, which could not have been attempted by individuals pursuing their separate interests, and unconnected by any bond of union. The servants of the Company have insisted on being heard by the government, and have maintained the right of addressing it in the Chinese language, when that has been denied to other foreigners; privileges have thus been repeatedly gained, and the most serious evils averted. The influence which the East-India Company has acquired by its extensive dealings, furnishes the strongest evidence of the importance of foreign commerce to this self-sufficient people. The Petitioners are, however, of opinion, that to place the commercial interests of Great Britain on that fair and equitable footing to which they are entitled, a higher authority is required, emanating directly from his Majesty, as a medium of communication with the Canton government, as well as with the imperial court at Peking, which would remove the impression prevalent among the Chinese authorities, that foreigners in China have forfeited the protection of their own Sovereign, as in the case with natives of China who leave their country. The Petitioners would anticipate the most beneficial results from the permanent residence, at Peking, of a Representative of his Majesty, instructed to act with becoming spirit

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in protecting the interests of his countrymen, an arrangement which they believe was considered of such importance, as to be one of the principal objects of the last embassy; and as the Russians, who conduct the trade on the frontiers between their empire and China, have long had the privilege of resorting to Peking, to acquire the language in a college expressly established for the purpose, it is reasonable to suppose that the residence there of British subjects would, if insisted on, be also tolerated, more particularly as they would no longer have to contend with the religious and political jealousy of the Roman Catholic missionaries, formerly established at Peking, but now dismissed. The successful termination of the Burmese war, and the approximation of the British dominion in India to the confines of China, are well known in that country, and a remonstrance from the British government would, the Petitioners have reason to believe, be received with a deference and attention never yet accorded to any embassy, all of which have been conducted on the erroneous principle of attempting to negotiate for that which, if firmly demanded, could not have been withheld, while the ambassadors have been designated "Tribute Bearers," and recognized in no other light than that of public officers deputed by inferior princes to offer presents and acknowledged vassalage to the supreme sovereign on earth. But the Petitioners cannot deny to the Chinese government the credit of having hitherto successfully triumphed over European power and dignity; the ruler of this most ancient empire has seen the representatives of the monarchs of other countries bear tribute to his throne, and in many instances prostrate themselves in the dust before him, while he has treated their abject and submissive spirit with the general indifference which it deserved. Unless through the direct intervention of his Majesty's Government in communication with the Court of Peking, the Petitioners feel that no material extension of British commerce, or effectual amelioration of the humiliating condition of British subjects in China, can be expected; if unattainable by the course suggested, the Petitioners indulge a hope that the Government of Great Britain, with the sanction of the Legislature, will adopt a resolution worthy of the nation, and by the acquisition of an insular possession near the coast of China, place British commerce in that remote quarter of the globe beyond the reach of future despotism and oppression. Your Petitioners therefore humbly pray, that the House will take the premises into their consideration, and grant such relief as to their wisdom may appear expedient.

Signed by Forty-one Persons.

Canton in China,
the 24th day of December 1830.

Petition from
Calcutta.

THE humble Petition of British, Native, and other Inhabitants of Calcutta; sheweth, That your Petitioners, British and Native, inhabitants of Calcutta, and others, are animated with sentiments of loyalty to the Crown, and anxious to multiply and draw closer the ties of interest and affection which connect the two countries, by the removal of those legal obstructions to the application of British skill, capital and industry, to the commercial and agricultural resources of India, which are no less incompatible with national prosperity than repugnant to the laws by which all other British colonies and dependencies are governed. Your Petitioners prefer no claims to exemptions, favours, or privileges, at the expense of any class or description of his Majesty's subjects, and seek no other stimulus to the advancement of that country in wealth, knowledge and assimilation in all the elements of public strength and private happiness, than would result from a fair participation in the care and confidence of Parliament from the reception of its products on the payment of equal duties, and from the judicial safeguards of persons and property, which have ever been

been esteemed the birthright of Englishmen. The House must be satisfied from the uniform result of experience in all ages and countries, that trade cannot be profitably conducted by a government without the unjust and impolitic advantages of a monopoly, and that a government trade in concurrence with that of private merchants, must not only be attended with a waste of the public revenue, but be liable to come into unequal competition and injurious collision with the operations of individuals. These objections have long been acknowledged to be applicable to the Indian trade carried on by the East-India Company, and enforce the expediency of divesting that corporation, while exercising any of the functions of government, of the few commercial establishments which still remain to them. That the degree in which their monopoly of the tea-trade contracts the extent of commercial intercourse with China, and enhances the price of tea, is equally well known to the House. The people of England are thus indirectly taxed more than twice as much as they would be directly if the trade were opened, and the capital stock of the East-India Company (the dividends on which are now paid from the extra price levied on the consumer) were added to the national debt. Of the ships that would then be engaged in importing tea into England, some would bring their outward cargoes to this country, whence there is at present a difficulty in procuring return cargoes; but that resource and convenience to both countries is with many others prevented by the monopoly. That the importance of providing reasonable checks on the power of taxation and local legislation, when intrusted to an executive government, can never be undervalued by a British Parliament; but your Petitioners content themselves with submitting, that all regulations requiring the sanction of the authorities in England should be previously published, so that their representations on matters deeply affecting their interests may be brought under consideration both there and in England, before proposed regulations are enacted; and praying, That the House will take the premises into their consideration, and grant such relief as to their wisdom may appear expedient.

Signed by 375 Persons.

Then WILLIAM HENRY CHICHELEY PLOWDEN, Esq., was called in, and examined.

3601. You have been in China in the service of the East-India Company? —I have.

3602. What was the situation you last held?—I was chief of the Factory two years.

3603. You are of course then intimately acquainted with all the transactions which have taken place with the Chinese, and with the character of the Chinese?—I think I am, having been there the greater part of twenty-five years.

3604. Were you chief of the factory at the time the disputes in 1829 took place between the Chinese government and the Factory?—I was.

3605. What was the origin of those disputes?—They arose from a desire on the part of the Select Committee to ameliorate the condition of the foreign commerce at the port of Canton, which was very much embarrassed in consequence of the reduction of the number of Hong merchants, and also the failure of one of the Hong merchants which was then impending, of the name of Chunqua; there was also a desire on the part of the committee to endeavour

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endeavour to remove some of the exactions and extortions that seemed to press heavily upon the trade.

3606. Did you concur in all the proceedings of the Select Committee in China?—By no means in the whole of them. I concurred in the views of the committee to ameliorate the trade by all means that were justifiable, reasonable, and proper; but I considered that they exceeded those bounds, and therefore their proceedings met with my constant opposition from 16th November, and my disapproval previous to that period.

3607. Were you then chief of the Factory?—I was.

3608. You are speaking of the other members of the Select Committee?—I am speaking of the Select Committee.

3609. Will you state their names?—Mr. Baynes was second member of the council, Mr. Millett the third, and Mr. Bannerman the fourth.

3610. Had you by your instructions a power of taking upon yourself the responsibility of the measure?—I had not; I proposed to take it upon myself when measures were reduced to great extremity, but my colleagues would not hear of it.

3611. Had the grievances of which you thought it right to complain been of long date, or had any recent event brought them more prominently forward?—The only recent event was the probable failure of Chunqua's hong, which immediately drew our attention to the state of the commercial embarrassments; but these difficulties had been going on for some time, and it has been our constant endeavour, as they arose, to check them.

3612. In a letter upon the Secret Consultations of the 25th December 1829, are contained several complaints; are those the complaints to which you refer?—This letter is addressed to the hoppo, or collector of customs at Canton: it is a counterpart of a letter which was addressed to the viceroy previously, and in consequence of the injudicious language then and subsequently adopted by the committee, the viceroy put a stop to our correspondence. This letter is founded upon the propositions of the committee of the 2d of October.

3613. Is that a statement of the complaint which you thought it necessary to make?—I consider this to be a summary of the proposition of the committee which was sent to the government of Canton in October last. The correspondence had been subsequently stopped between the committee and the viceroy, and all communication was suspended till the hoppo came down to Canton, and they then renewed it by sending to that officer this summary of their former letter.

3614. Did you concur in every part of that letter?—Not at all; I was compelled to sign it, from my official situation: I had no option to refuse my signature, after it had been resolved upon by the majority. The Chinese government will not receive communications from the British Factory, unless they bear the signature of the chief and the seal of the Company; the

the other members of the committee do not sign, and had I refused to do it, the viceroy would not probably have received the communication. 16 Aug. 1831.

3615. Then the necessity of your signature arose from an ordinance of the Chinese government?—And also from the constitution of the committee.

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3616. Did not your signature arise from the necessity you felt of yielding to the opinions of the majority?—Exactly so, though I dissented from them.

3617. Is there any mode of notifying to the Chinese government who is the chief of the factory?—I am not aware of any, except in the common course of proceedings; they know immediately that there is a change, but there is no official communication from the factory.

3618. Were those complaints which are here detailed, attended to by the Chinese government?—They received the greatest attention from the Chinese government.

3619. Were any of the requests conceded?—Yes, I consider that six of them were conceded; namely, 1st. All fees in the creation of Hong merchants abolished. 2d. The elder Chunqua ordered down to Canton. 3d. A reduction in the port dues promised to be referred to Peking. 4th. Compradore's charges reduced. 5th. Hong merchants no longer to be responsible for each other's debts. 6th. Payment of the import duties to be altered, as suggested by the committee. It will be necessary to refer to the propositions themselves, which are recorded on the 2d of October, in the letter addressed to the viceroy under that date; they are contained in page 153 of the First Report of the Committee on East-India Affairs in the last year. The first proposition is, that "Tungshang Hong, (that is "Chunquas") must not be allowed to fail; but Lewching-shoo, bearing money with him, must return. If Tungshang Hong fails, foreign creditors will doubtless become clamorous, and require the immediate payment of all their debts; they decidedly will not submit to be defrauded of their property, and afterwards wait five or six years before the whole amount is paid." The second proposition is, that "the new merchants for foreign trade, within twenty or fifty houses, must not have to pay the debts of other Hongs that fail. Neither natives nor foreigners are to be paid, but each Hong shall be required to pay only its own debts. Thus an excessive trust in Hong merchants will be wholly eradicated, and foreign merchants must not demand of the remaining Hong merchants, nor petition government to obtain payment from others who fail."

3620. What was the system upon which the Hong proceeded to which that proposition referred, of paying mutually their debts?—By the old regulations of the country the Hong merchants are responsible for each other, and in all cases of European claims, supposing one of their body fails, the others are looked upon as responsible for the payment of his debts, and under that system large sums of money had been paid.

3621. Did they actually pay the debts of each other?—Yes; and during the

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the two years that I officiated as chief, I have a paper which shows the sums which were paid in those two successive years, it amounts in the aggregate to about 668,000 dollars; the four years previously to those two years the merchants had, I have been told, paid on account of their bankrupt colleagues, 1,200,000 dollars, and the debts of Chunqua's Hong, which is now declared insolvent, amounted to 861,000 dollars, and I have lately understood by letters from China that have just come to hand, that arrangements had been effected last February, for the payment to the creditors of 50 per cent. of their claims by last July, and the balance of the remaining 50 per cent. is to be paid off in three annual instalments by the other merchants; but these advantages now cease by the new regulations.

3622. Did the merchants share in each others profits?—Certainly not.

3623. To whom are these debts generally payable?—To foreigners entirely.

3624. Are any of those payable to the Company?—If the Company have been creditors they would have been paid in a similar way, but they were not in the two instances I have referred to.

3625. In the papers before the Committee, frequent allusions are made to the distress and bankruptcy of the Hong, do you conceive those representations to be strictly correct?—Yes, I think they are.

3626. In one paper it is stated by yourself that, in point of fact, the Hong were not indebted to the Company at all?—They were not a single fraction the two years I presided over the Eactory; there was a clear balance-sheet at the end of each season.

3627. Does not the new proposition tend to put an end to that practice of mutual payment?—It decidedly has done so.

3628. What was the motive that induced the English Factory to make that proposition?—The motive was, I believe, a desire to relieve them from embarrassment. I consider, however, that this was only a collateral cause of the embarrassments of the Hong merchants generally, but not a principal cause: a vast accumulation of a debt upon a body of men of course must embarrass them severely.

3629. What was the principal cause of their embarrassment?—I consider the principal cause of their embarrassment to arise from injudicious speculations in trade; and also, in a great measure, the exactions and extortions of government from them; and the responsibility for each other's debts may certainly be considered a collateral cause of their embarrassment.

3630. Is not the complaint that the government, in confining the foreign trade to a monopoly by their extortions, narrow that monopoly to the lowest possible number?—Yes, that is an object they have often had at heart; but it has hitherto been successfully defeated by the endeavours of the committee.

3631. Did the Chinese, in the payment of debts due by Hong merchants who had failed, make any distinction in their payments between Englishmen, Americans, or any other foreign country?—None whatever.

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3632. In what manner were the claims of foreigners on Hong merchants who had failed brought before them, were they through the agency of the president and committee of the India Company, or in what way were they brought to the notice of the Hong merchants?—They were generally brought to the notice of the Hong merchants by individuals concerned in the trade, not by the East-India Company's representatives.

3633. Do the president and select committee interfere for any debts due to Englishmen residing in India?—When they are applied to, invariably.

3634. In any of those cases which you have now stated during these two years, did the select committee interfere to obtain payment for any of those debts?—Certainly not.

3635. Then equal justice was done by the Hong merchants to the American as to the English merchant?—Decidedly; there was no distinction whatever.

3636. Were those payments in any manner made through the English Factory?—It is right to state how they were exactly made. The East-India Company have occasionally during the season large balances to pay to the Hong merchants on account of their transactions. The chief Hong merchant, Howqua, generally undertakes for the other Hong merchants the management of all those claims of foreigners, and draws up that very statement which I have produced; he brings it to the chief of the Factory, and states that such sums are required to be paid on account of foreign claims, and knowing that large sums are going to be issued from the Company's treasury in the course of their current transactions, he generally, to secure that money, begs that it may be withheld in the Company's treasury on behalf of those men; but it has always been resisted by the Company's chief, and by the committee, who have felt disinclined to interfere on such occasions.

3637. When you say it has been resisted, do you mean to say that it has not been done?—It has been done; and I will state how it has been done. The senior merchant in the two years that I presided brought that paper to me; I have not withheld from him that balances were to be paid to other merchants, but that before I should pay it out of the treasury to him, I should send for them, and confront them with Howqua, to ascertain whether they wished the payment to be so made; if they gave their sanction, the money was then, at their request, paid into the hands of Howqua from the treasury, instead of being paid to them individually. It was a sort of thing that the Company had no part in; it was merely a convenient mode of collecting the money; they were afraid they would not collect the money but by those means.

3638. In fact, the president and the committee yielded to the wish of the chief Hong merchant, with a view of facilitating the payment of the debts?—Yes; and during the two years that I presided over the factory, they were

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paid in that way, all parties consenting; without the consent of the Chinese merchant, it never would have been done.

3639. During the years you were there before you were chief, was the same settlement made of outstanding debts?—I believe so; but I can only speak for the time that I myself presided.

3640. Can you inform the Committee in what manner those claims are collected by Howqua?—Howqua generally endeavours to obtain from the foreigners a list of all their debts, and having obtained that, he, in conjunction with the other Hong merchants, make their arrangements for the liquidation of them in the way I have mentioned.

3641. Are not those claims referred to the bankrupt Hong?—Invariably; of course they must have the acquiescence of the bankrupt merchant to know whether they are just claims. They are collected, generally speaking, by some individual agent, or some leading man in Canton, of one of the principal houses of agency; they send in a list of the whole, and refer it to the bankrupt Hong merchant, and if he acquiesces in their justice they are passed over to the head merchant to adopt those means for liquidation.

3642. During the two years you were chief, how many Hong merchants actually failed?—There were two merchants failed during that time, Manhop and Chunqua.

3643. Are you aware of the amount of debt to foreigners for which each failed?—I cannot speak positively; but I believe that Manhop, whose failure was very considerable, in 1828 failed for about 1,500,000 dollars, due to Europeans and duties to government.

3644. Were the Hong merchants themselves desirous that this change should be made from the old system?—I was not in communication with the Hong merchants during the time the change was proposed, I am not therefore aware whether they were desirous or not; but I should think it is a thing so decidedly for their advantage that they of course would acquiesce in it.

3645. Are you aware how it originated that the Hong merchants became answerable for each other?—I cannot speak positively as to that.

3646. Are you aware that it originated in an application of the Europeans when they first began to trade to China?—No, I am not.

3647. You are not aware that the Europeans had great difficulty in collecting their debts from the Hong merchants, and that the Chinese government themselves took into consideration what was the best mode of securing the Europeans against such losses, and that the Chinese government did it as an advantage to the Europeans?—Yes; I have always understood it in that point of view.

3648. Is it not to gain the monopoly of the European trade that they bind

bind themselves to certain provisions, one of which is, that they shall be answerable for each others debts?—I believe that to be the case.

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3649. Do not their transactions differ very much in point of magnitude?—They do.

3650. When you say that the Hong merchants are responsible for each others debts, you do not mean individually but as a body?—No, not individually, but as a body.

3651. Do you think the Hong merchants are liable to the charge of want of faith generally?—I should say not, from my acquaintance with them, they are generally considered very liberal merchants; so little is there of want of faith, that there is often no agreement made between them, except verbally.

3652. Do they observe the same good faith towards foreigners generally, or do your observations apply only to the Company?—I speak of foreigners generally.

3653. Have you any statement of the debts of the Hong merchants which have been paid in the way you mention?—I have a statement of the payments made by the Hong merchants to the European creditors of the bankrupt Hong of Exchin, Conseequa, and Poonequa, in January 1828; I have also a statement of the payment made by the Hong merchants to the European creditors of the bankrupt Hong of Conseequa, Exchin, Poonequa, and Manhop, together with the government duties of the latter merchant in 1829.

The witness delivered in the same, which was read, and is as follows :

PAYMENT made by the Hong Merchants to the European Creditors of the Bankrupt Hong of Exchin, Conseequa, and Poonequa, in January 1828.

MERCHANTS.	EXCHIN'S 2d Instalment.	CONSEEUQA'S 4th Instalment.	POONEQUA'S 1st Instalment.	TOTAL.
	Dollars. dec.	Dollars. dec.	Dollars. dec.	Dollars. dec.
Howqua	15,782.960	3,970.330	4,565.547	24,318.837
Mowqua	19,413.470	4,883.620	5,615.749	29,912.839
Chunqua	19,539.240	4,915.260	5,652.129	30,106.629
Puankhequa.. ..	12,684.860	3,190.980	3,669.357	19,545.197
Manhop	26,968.150	6,784.630	7,801.095	41,553.875
Goqua	8,993	2,252.200	2,589.840	13,835.040
Kinqua	28,068.470	7,060.850	8,119.383	43,248.703
Fatqua	4,614.960	1,160.930	1,334.975	7,110.865
Total	136,065.110	34,218.800	39,348.075	209,631.985

PAYMENT

16 Aug. 1831.

W. H. C. Plowden,
Esq.

PAYMENT made by the Hong Merchants to the European Creditors of the Bankrupt Hong of Conseequa, Exchin, Poonequa, and Manhop; together with the Government Duties of the latter Merchant in January 1829.

MERCHANTS.	CONSEQUA'S last Instalment.	EXCHIN'S 3d Instalment.	POONEQUA'S 2d Instalment.	MANHOP'S Gov. Duties.	MANHOP'S 1st Instalment.	TOTAL.
	Dollars. dec.	Dollars. dec.	Dollars. dec.	Dollars. dec.	Dollars. dec.	Dollars. dec.
Howqua ..	5,019.98	19,701.37	7,461.85	1,804.32	27,520.30	61,507.82
Mowqua ..	4,536.59	17,804.28	6,743.33	1,630.57	24,870.30	55,585.07
Chunqua ..	3,999.56	15,696.64	5,945.07	1,437.55	21,926.20	49,005.02
Puankhequa ..	3,893.60	15,280.79	5,787.76	1,399.45	21,345.31	47,706.91
Goqua ..	2,460.66	9,657.08	3,657.60	884.43	13,489.71	30,149.48
Kinqua. .	12,324.79	48,369.76	18,319.94	4,429.86	67,566.36	151,010.71
Fatqua ..	1,983.07	7,782.73	2,947.69	712.77	10,871.49	24,297.75
Total ..	34,218.25	134,292.65	50,863.24	12,298.95	187,589.67	419,262.76

The payments made by the Hong merchants on account of their bankrupt brethren, in these two years, 1828 and 1829, amounts to 668,894 dollars, 745 dec. and I have been given to understand they had paid in a similar account in four previous years, about 1,200,000 dollars.

To the debts now in progress of liquidation, the claims of Europeans on Chunqua's Hong must be added; they amount, with interest up to 31st December 1830, to 861,551 dollars, and an arrangement has, I understand, been effected in February last, for the payment to the creditors of 50 per cent. of their claims in the month of July 1831; and the balance is to be paid off in three annual instalments.

3654. What was the arrangement made with the Americans in 1828, with respect to the trading through Hong or security-merchants, with any Chinese whom they may deem worthy of their confidence?—There was a trade conducted by a set of men who were called outside merchants, who are nothing more or less than shopmen, generally speaking, and the Americans generally confined their transactions to those men. The strict monopoly of the trade, as by law established in China, is confined to the Hong merchants. The Hong merchants, perceiving that those outside shopmen were carrying on a large trade illegally with the Americans and others, were advised by some Americans themselves even to put an end to that system, by claiming their privilege of having the monopoly. They came to the committee and urged that we should put something binding upon them to adhere to some determination on their part to put an end to that system, for they had pledged themselves one to another ineffectually for a long series of years, and they had as frequently broken faith with each other; the only check that they thought would bind them to each other was a threat from the Company, that if any of them deviated from this system, they would withdraw a portion of their trade from them. The East India Company's representatives objected to interfere at all in the business for a long time; but they were so earnest in

in the subject, that they came in a body to the committee and stated their case, and signed their names and seals to a document, promising that they would request to be deprived of a portion of their business provided they broke faith with each other. By those means the monopoly of the Hong merchants, it was supposed, was secured to them, but when it came to the practice they did break faith again; the Americans having made a great stir about the business, they appealed to the Chinese government, and the Chinese government entered into a long discussion with them on the subject, and the end of it was, that the outside men were allowed to trade in certain articles, not the staple articles of trade, but the minor articles of commerce. I think there are about sixty or seventy in number of petty articles; but all the principal articles were still confined to the Hong merchants.

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3655. Will you state what the other propositions were that were made by the select committee to the hoppo upon the occasion you have referred to, and what was the result with respect to them?—The third was, “The old Hong mandarin merchants, from the day that the new regulations are officially proclaimed, must not pay the debts of other Hongs; but on that day they must pay off entirely what they owe, or if not, they must that day be required to make known to all men the amount of their debts;” that is merged in the former proposition which was acceded to. The fourth proposition is, “The debts of the Hongs which have already failed, and are not yet paid off, must be paid by a per-centage on all the export and import trade annually passing through all the Hongs; a small per-centage from the whole amount will be sufficient. Both the new and the old Hongs must all equally pay according to the same regulation, for if not, the old Hongs will not be able to stand long; further, the old debts must still be paid according to the times already fixed. With respect to duties, since the foreign merchants have repeatedly waited long for the payment of Hong merchants’ debts, it seems reasonable that government should extend the period of payment. In a few years the per-centage will be sufficient to pay all off, after which it will cease; for henceforward, if the new regulations are adopted, there will never be occasion for the aid of the per-centage. The import duties must be daily levied and paid within five days, the same as in the case of exports; thus there will appear no responsibility for duties; being paid daily, there will never be a day’s failure, and the advantage of duties being daily paid sooner and more certainly will be ensured.” That is a point that was acceded to. Prior to that proposition, the duties on the import cargo were not demanded for several months after a ship arrived; it depended very much upon the period of their arrival, but the season of collecting the duties was, I believe, the month of October; and sometimes it might be nine or ten months, or even more.

3656. Was not that for the advantage of the importer?—One would suppose so, but it had the bad effect upon the merchants that were poor, and had little capital, of inducing them to speculate upon the certainty of not
being

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being called upon for their duties; they frequently bought large cargoes, and it often added to their embarrassments.

3657. Did the rule, with respect to the import duties, apply to all foreigners trading to China?—Yes.

3658. Did the request of the English Factory also include all foreigners?—Certainly.

3659. Was it understood to be the general wish of the trade at Canton?—When these discussions commenced, the principal foreigners in Canton handed in a paper containing the same propositions to the viceroy, the English agents and the Dutch consulate, the Spanish merchants and the French consulate; they all concurred in a wish to ameliorate the trade.

3660. Did the Americans concur also?—I do not think they interfered in the business at all; the English agents, the Dutch consulate, and all other foreigners, except the Company, also carried on their trade whilst they were negotiating.

3661. Did any of the parties that you would consider free traders at Canton agree in this proposition?—All English agents; I do not believe there was a single exception; they all signed the letter.

3662. You speak of the agency houses that were carrying on the trade between India and China?—Exactly.

3663. What degree of compliance with that request (the alteration in payment of duties) has been made with the Chinese government?—The Chinese government allowed the payment of the duty as was suggested, but with this addition, that rather than require it to be paid in five days, they gave them three weeks. The answer is expressed here in the viceroy's reply.

3664. Will you state the other propositions, and what success attended them?—The sixth proposition is, "It will be necessary to allow foreign merchants to hire warehouses, and have them under their own management, that they may preserve the goods deposited in them; for according to the new regulations suggested since, there will be no security-merchants, and the new merchants may sometimes be without capital: this regulation is indispensable." That proposition was refused most decidedly; it was considered inadmissible by the Chinese government. The seventh proposition was, "None of the Hongs for foreign trade shall be required to become security for foreign ships, if the regulations above suggested be made law, since the duties will be daily paid, no occasion will exist on that account for the responsibility of security-merchants; and as to other affairs, since the security-merchants really cannot control the actions of foreigners, the law requiring security-merchants only assists the hoppo's office to make pretexts and extort money, so that both natives and foreigners are vexatiously hindered and distressed by minute interference." This attempt to abolish security-merchants was striking a blow at one of the principal commercial laws of the Chinese empire, and of course it was not admitted for a moment, because
 they

they do not allow any ship to come there that shall not be secured by a Hong merchant. 16 Aug. 1831.

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3665. Do you think, under the existing system of trade in China, the abolition of the Hong merchants would be advantageous?—I should say not, unless the whole system upon which trade is conducted in China could be improved and remodelled.

3666. Is it not very difficult at times for ships to obtain security, even under the present circumstances?—It is sometimes exceedingly difficult; all the Hong merchants of respectability decline becoming security for ships, because it involves them in the probability of trouble.

3667. Suppose 50 or 60 small ships went to China, how would they find security?—I suppose they would find security, for until they did they could not trade. There is one merchant of the name of Kinqa, who secures to a very large extent; he takes the risk upon himself, and receives 800 or 1,000 dollars for every ship.

3668. Is not that an unusual fee?—No; it is the custom, since the opium was expelled from Whampoa, for all ships except those of the East-India Company, before even a pilot is granted to them, and as soon as they are reported to have arrived, to sign a bond expressing that they have no opium on board, and that bond is obliged to be signed by three security-merchants, who make an asseveration that they believe in the truth of it; the ship is then allowed to come up to Whampoa, she there remains till her cargo is sold, and frequently many weeks, without a security-merchant.

3669. What liabilities does the Hong merchant, who secures a ship, take upon himself?—He is responsible for the good conduct of the commander and officers of the ship, and that she shall not be engaged in smuggling transactions, and all other concerns of a similar nature.

3670. Supposing the ship offends against the law, what are the modes of recourse which the government in China have against the individual who gave the security?—They immediately extort from him large sums of money, till they are satisfied. In the event of any smuggling transaction, or other irregularity, the ship is delayed, a port clearance is refused, and all communication is stopped till the fine is paid, which is generally an arbitrary and most unjust exaction.

3671. Have you known any instances in which ships have been absolutely unable to find security?—I have known many cases in which they have been obliged to adopt the only course which was open to them, of going to one of the poorer merchants and paying him a sum of money for becoming their security-merchant.

3672. Do you know any instance of a ship absolutely failing to obtain the security?—No.

3673. How do they do with the opium ships?—They are outside the port, at Lintin, out of the control of the government altogether.

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3674. Do you think the opium ships ever come up?—Not now; they did until the year 1820, when they were expelled.

3675. Has there been found a greater difficulty lately in obtaining those security-merchants than there was previously?—I think I should say yes.

3676. Since what period?—Within the last six or eight years there has been greater difficulty.

3677. It has been stated by some American gentlemen, who were examined last year, that they never found any difficulty; should you think the Americans have less difficulty than the English?—I do not think the Americans possess more or so much influence as the English there. The American trade is a good deal conducted outside the port; they frequently do not go up to Whampoa; the American ships frequently come to Lintin, and smuggle up their cargo from thence.

3678. Will you state what the other propositions were that were made by the select committee?—The eighth proposition was, that “For the entrance of foreign ships into the port, the charges at present exacted by all sorts of offices must be diminished, after which those remaining to be paid should be in proportion to the size of the ship, small ships doubtless paying less than large ones; and the money to be levied should be paid on board ship by the captain to the proper officer, who shall immediately give a receipt to the captain.”

3679. Will you state the result with respect to the several parts of that proposition?—The first is, “For the entrance of foreign ships into the port, the charges at present exacted by all sorts of offices must be diminished.” That I do not think alludes to the port dues, but to the extortions of the mandarins. The viceroy gave us an assurance that that should be attended to, and he would prevent all exactions; and the hoppo, in his letter to the committee of the 6th January, 1830, confirmed it. I do not know if, since the resumption of the trade, this has been attended to; but I should suppose these mandarins would act up to their promise: “after which, those remaining to be paid should be in proportion to the size of the ship.” I suppose that alludes to the measurement, and that has been diminished. The only part of that proposition refused, is, that the captain should not pay the duties to the officers of government; the Chinese government determined that they should be paid as usual by the security-merchant.

3680. Has the reduction been in proportion to the measurement of the ships?—It has; but that does not appear to have affected the large Company's ships materially, some of the smaller ships are relieved from the burden to the same degree, but not very considerably, I believe.

3681. Of course all these concessions are general to all foreigners?—They are.

3682. Has

3682. Has not the Chinese government published an edict to that effect? —I believe they have, but it is since my departure. 16 Aug 1831.

3683. Has any concession been made upon the amount of the duties?—The amount was mentioned, but it had reference to the “Enter-port dues,” and the “Present,” which have been reduced as the viceroy recommended, according to the size of the ships; but it is since my departure from China.

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Esq.*

3684. What is meant by the “Present?”—We understood, till the thing was referred to the viceroy, that the “Present” (a sum amounting to 1,950 taels) invariably went into the hands of the Chinese officers of government, but the viceroy has assured us, that it is an item of revenue, and that it is impossible to alter it without reference to Pekin (he has referred to Pekin), and I believe that it has undergone a diminution also.

3685. Is that what is called the Cumshaw?—It is.

3686. Are you aware that the English inhabitants of Canton presented a petition to Parliament upon the subject of the China trade?—I have seen a copy of the petition.

3687. Are you aware that the petitioners complain of the same grievances, for the removal of which the English Factory applied?—Yes; it appears to be, in a great measure, an echo of the propositions of the committee in the year before; at least it breathes the same spirit.

3688. Then, in whatever degree the concessions have taken place that you have stated, the prayer of the petitioners has been answered?—I should consider so myself.

3689. You are aware that particular subjects of complaint in the petition are the monopoly of the Hong merchants, and the oppressions by the government, which reduced them to great distress; also the want of permission of foreigners to rent warehouses, and the extortions of the compradores and other officers of government, and the amount of the duties charged not being fixed. Are not those the commercial disabilities of which that petition complains?—Yes.

3690. In addition to those commercial disabilities the petitioners complain of pointed insults and contumely on the part of the Chinese, do you think they are justified in the strength with which they make that representation?—There is no doubt that the situation of foreigners in China is very humiliating, and very unpleasant in general; but I think that the petitioners have rather exaggerated the matter in their statement.

3691. In what respect do you consider the treatment humiliating?—They are confined to very narrow limits; you cannot walk out in the streets without being subject to insult and abuse.

3692. What kind of insult?—Being pointed at and hooted at, and in various unpleasant ways that it is impossible to describe; and in many ways you are subject to a vast number of inconveniences and annoyances.

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3693. Are they personally attacked?—If you go beyond the prescribed limits, or wander beyond the suburbs of Canton, it is with the danger of severe annoyance, and even beating.

3694. Is not the language of the Chinese edicts occasionally very insulting and offensive?—Certainly, very decidedly so.

3695. Are not those limits and rules which you are not to exceed perfectly understood at the Factory, and are they not the same now that they have always been?—They are perfectly understood, and they are the same that they have ever been.

3696. When Europeans do not exceed those limits, or go contrary to the rules and orders of the country, are they often insulted?—Never that I know, so long as they conform to the usages and habits of the country.

3697. Do you think the petitioners are borne out in this assertion, “they entertain a firm belief that much may be obtained from the fears, but that nothing will ever be conceded from the good will of the Chinese government?”—I should say not altogether. I consider the Chinese to be a highly intelligent people; their fears may possibly be sometimes acted upon, but I do not think they are a people that would submit to coercion from foreigners; and I think this has been satisfactorily proved by the official assertions that are stated in the extract of the letter of the viceroy to the Emperor, and his reply, wherein he directly implies they are not to be coerced by the threats of foreigners.

3698. About what is the extent of the limits to which Europeans are confined at Canton?—It is hardly possible to say the district; it is merely the streets and suburbs of the city, which are very considerable: you cannot go far beyond the Factory without being subject to abuse.

3699. Are not Europeans frequently taken up to country houses by the Hong merchants, at some distance from Canton?—They are sometimes taken to the houses of the merchants in the neighbourhood of Canton, in the society or under the protection of the Chinese Hong merchants.

3700. Do you think the Chinese are at all softened in their feelings towards foreigners?—No; I think there still exists a natural feeling of jealousy towards foreigners; I am not aware of any change.

3701. Have you, in visiting the religious houses in the suburbs and across the river, experienced any insults?—I have seldom exposed myself to them; but when I have gone to the temple across the river, I have generally been accompanied by a Chinese interpreter, who is acquainted with the priest at the joss-house; and since Lord Amherst's embassy (who lodged at that very temple) the priest is particularly civil to the English, and is always glad to see them.

3702. If you went to China merely for the purpose of trade, would there be any interference either by the people themselves or by the government?—
I should

I should imagine none, except those that are by law established ; such as their being obliged to conform to the security system, and so on.

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3703. Are you acquainted with several of the petitioners whose names are annexed to this petition?—I know many of them.

3704. Are they in general respectable?—I should say so, generally.

3705. Should you say that the English in general, in Canton and Macao, conform to the laws and regulations of the Chinese?—I should say so in general ; there are very few instances, I believe, to the contrary.

3706. Do you think, in general, the English are more disposed to infringe upon the regulations of the Chinese than other foreigners?—I should say not ; the allusion to the English in Governor Le's statement to the Emperor refers to three particular and very important events in which we were involved with the Chinese government, which gave them great annoyance : one of which was, the expedition to Macao under Admiral Drury ; another was, the suspension of commerce in 1814, when there was a desire on the part of the committee to remove a number of grievances ; and the third was, the discussion respecting the *Topaze* frigate : and they involved us in those particular troubles with the Chinese that are referred to in that paper.

3707. Are not the English more prone to interfere with the Chinese, looking upon them as they look upon the natives of India, as persons that they have a right to domineer over?—I should not say so, speaking of them generally.

3708. Have not the English naval officers generally disregarded the forms and orders of the Chinese government, and thereby led to that irritation?—There have been one or two instances where they have done so, but not generally speaking.

3709. Are not those the instances to which allusion is made in that paper?—I conceive the allusion in that paper, as regards his Majesty's officers, to be confined to Admiral Drury's expedition in 1808, and the discussion about the *Topaze* frigate in 1821 ; but there are other occasions. Captain O'Brien, during the American war in 1812 or 1813, entered the river, and cut out an American vessel ; though that is not alluded to here, it may have been in their mind, and it did great injury to the English interests.

3710. Is it your opinion that more is to be obtained from the Chinese from fear than from civil or courteous conduct?—I should say more might be obtained from civil, firm, and decided conduct, than from endeavouring to intimidate them ; I think there is a point beyond which they will not go.

3711. You are aware of the suggestions which these petitioners offer for the improvement of their condition?—I am.

3712. Is not one of them a forcible interference?—That seems to be implied.

3713. What

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3713. What do you think would be the effect of attempting by force to obtain a relaxation of their commercial regulations?—I have no doubt that if an attempt by force were properly conducted and followed up by the government, it might succeed.

3714. What do you mean by properly followed up?—That any attempt to employ force should be well considered, and carried through with firmness and decision.

3715. Do you mean by the employment of troops?—I should suppose so.

3716. They suggest, also, the residence of a British representative at Peking, do you think, from your knowledge of China, it would be possible to obtain that?—I should think, judging from the result of the last embassies to China, that such a privilege would be obtained with very great difficulty, I should almost think it would be impossible.

3717. Are there any circumstances that have occurred since the last embassy that make you suppose that it is in any respect easier than it was at that time to obtain such a representative?—None.

3718. Is there any suggestion which it occurs to you might be adopted for the improvement of the British commerce in that country?—I should think anything that would improve the trade there, would be better done by means of representation and strong remonstrance properly followed up, than by actual force. A representation to government might have effect.

3719. Do you think any reasonable proposition for the improvement of commerce from the British authorities in this country would be likely to produce effect without the employment of force?—I should very much question whether it would.

3720. These petitioners suggest further, the occupation of some island on the Chinese coast; how does that proposition appear to you?—There is no doubt that if the British Government were to take possession of an island on the Chinese coast, it might create the hostility of the Chinese against us, provided it was sufficiently near, and if they were to do it so as to establish themselves, there is no doubt that they might maintain a trade there.

3721. Would it, in your opinion, be the means of forcing any concessions to the trade of Canton?—I should think not.

3722. Do you consider that it would not be an advantageous mode with the view of trading to parts to the north of Canton?—I should conceive it might be so, but I am at a loss to understand the design of the petitioners in wishing to have an island.

3723. Is not a great portion of the Chinese foreign trade a smuggling trade?—I believe there is a very considerable part of it, the whole of the opium trade undoubtedly.

3724. Supposing there was an emporium established in some of those seas,
and

and that English ships resorted to it to a large extent, and were permitted to trade in Chinese articles, including tea, do not you conceive that a very considerable trade would be carried on through the medium of that emporium?—I question whether Chinese vessels would find their way to any island such as what has been suggested; the island, I believe, lies a little to the eastward of Japan.

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3725. Do not a great many Chinese junks now find their way to Singapore?—They do.

3726. Supposing they were permitted to bring tea, and the tea were to be exported from Singapore to England in British bottoms, do not you conceive that that trade might be very considerably increased?—No, I do not think it could.

3727. Are you aware that the provinces where the tea is grown, are some of them, and the most important of them, maritime provinces?—They are on the north-eastern coast of China.

3728. And considerably to the north of Canton?—Yes.

3729. Why do you suppose that the Chinese junks would not find their way to the island which has been referred to?—I think if the Chinese heard that we had taken possession of an island in their vicinity, they would be very jealous, and endeavour to impose restrictions to prevent their junks from going there. The export of teas coastways in Chinese junks for the foreign trade at Canton is strictly prohibited.

3730. Since there has been a greater cultivation of Chinese literature amongst the English, do you think the Chinese authorities are in any measure more conciliated towards us?—I should rather say that they were from that circumstance.

3731. Have you observed any feeling on the part of any individuals among the Chinese authorities favourable to the relaxation of the commercial regulations?—No; on the contrary, in my communications with the Chinese, they have always deprecated any sort of change in the present system; they are aware that it is possible that the present system may not continue, and in conversing upon it they have always expressed a wish that it might continue as it is.

3732. You are alluding to the English monopoly?—Yes.

3733. Have you had any opportunity of observing that there was any relaxation in the opinions of Chinese individuals of authority, with regard to the commercial restrictions in general in China?—I should say there was none.

3734. Do you allude to the Hong merchants, or to the outside merchants?—I allude principally to the Hong merchants; we are thrown very little into collision with the outside merchants.

3735. Have

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3735. Have you ever had any conversation with any more respectable outside merchants?—Not upon that subject.

3736. Do the English ever associate with any but merchants?—There are very few others; there have been some connections of the merchants who are stated to be mandarins, but not holding office at Canton, who were glad occasionally to see you at their houses.

3737. Have you ever had any conversation with any of those mandarins residing there?—No; those sort of men do not enter into conversation upon commercial subjects generally, it is only merchants.

3738. Do not all strangers of considerable rank, who come to Canton, make a point of visiting the Factory?—Almost invariably; they come frequently.

3739. Have not several relaxations been effected upon the subject of the port dues?—They have.

3740. In what way do you think that was brought about?—It was brought about by those representations from the committee, and a promise on the part of the viceroy to represent them at Peking, which he did, and the Emperor in his answer attended to them.

3741. Do you think the viceroy was induced to make those representations from any fear of an interruption of the trade?—No; I should say it was from a view that the demand was reasonable.

3742. Did he show any disposition to make those relaxations till a strong memorial was presented to him?—In the early part of the negotiation, before those propositions were submitted to him, he pointed out to us that the “present” was an item of revenue, and that it was not in his power to reduce it, but that he would represent it at Peking.

3743. Did he make that representation to the Factory previous to any representation having been made by the Factory to him?—Certainly not.

3744. Then the relaxations which have taken place resulted from communications made by the Factory?—Yes.

3745. Were those representations connected at the time with an interruption to the trade, or any threat of an interruption to the trade?—The Company’s trade was totally suspended while those demands were made.

3746. Was not the trade interrupted on account of the demands?—The trade was stopped by the committee, with a determination to carry those points, and they determined not to trade till they were conceded.

3747. How long did that interruption of the trade continue before the Chinese authorities made those concessions?—It was necessary to refer to Peking before the concessions could be made, the viceroy having assured us that it was out of his power to do it without reference to the Emperor; but there was every disposition on the part of the viceroy and the officers of government to listen to our proper representations.

3748. How

3748. How long was it after the first interruption of the trade that the relaxations were carried into effect?—About five months; the Company's trade was suspended from August 1829 to February 1830. I believe the decisions from Pekin were received subsequent to my departure from China, which was the end of January.

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3749. Have you any means of knowing whether a considerable delay occurred on the part of the viceroy at Canton, in transmitting a memorial to Pekin?—The general impression was, that after he had made those concessions on the 16th of November 1829, he received a letter of that date from the committee, drawn up in such injudicious and intemperate language, that he was so exasperated as to determine, with the advice of the mandarins of the province, to draw up the report which he forwarded on the 28th of November to Pekin.

3750. How long was it after the first memorial, and the interruption to the trade, that the viceroy of Canton transmitted a memorial to the government at Pekin?—I should suppose it was about six weeks after our first memorial of importance in October, but about three months after the Company's trade was suspended.

3751. Did you observe that the Burmese war produced any effect upon the feelings of the Chinese towards the English?—Not exactly: they were perfectly aware of the war and of its consequences.

3752. Does it strike you that any opening towards an attempt to produce a relaxation of our commercial intercourse with China presents itself to us, except by means of force?—I am not aware of any other means that would produce such an effectual change in the system as that required by the petitioners.

3753. With reference to that petition from Canton, signed by forty-seven individuals, are not the principal part of those agents who have come from India to Canton to conduct the concerns of the ships trading there?—As far as I am acquainted with their names, I consider that many of them are not agents, many of them captains of country ships, some of them Parsee agents, who came as passengers in those country ships; there is a Mr. Mackwick, who was formerly steward in the Factory; his brother is another; there are several others whom I know very little of, who, I suspect, were casual visitors. There are some individuals who have not signed this petition who are highly respectable; there is Mr. Dent, whose house of business is one of the largest and most extensive in Canton. Mr. Jerdaine's house, which is however equally respectable, and all the parties connected with him, have signed it.

3754. Who is the first upon the list, Thomas Beale?—Mr. Thomas Beale is an old agent, who was formerly a partner in Beale and Magniac's house, but from misfortunes he became a bankrupt; he resides at Macao.

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3755. Does he carry on any business?—I am not aware whether he carries on any business, but I think he does not.

3756. What would be the consequence, in your opinion, of force being attempted to be used in China?—I should think that hostilities would immediately be the consequence on both sides; and I should think the result would be, judging from the military prowess of this country, that we should overcome them.

3757. What would be the consequence in the mean time?—An entire suspension of all commercial intercourse, and hostilities.

3758. Are the Chinese an athletic people?—I should say very much so; they decidedly have an advantage over all other Asiatics that I have seen in that respect.

3759. If they were trained to military operations, is it your opinion that they might make good soldiers?—Certainly.

3760. Supposing an army of 20,000 British troops, adequately equipped, were to attempt an expedition to Peking, do you think they would succeed?—I am hardly prepared to say whether they would or no.

3761. You have said that you dissented from the conduct of your colleagues, the members of the select committee, upon the occasion of their making the representation which has been mentioned to the Chinese government; what was your reason for so dissenting from them?—I had no other reasons than what appear upon the face of the dissent, and which also appear very fully stated in the letter I addressed to the chairman of the East-India Company, 28th January 1830; reasons are there stated for my differing entirely from the conduct of my colleagues upon this occasion.

3762. What induced the committee to relax so much in their previous requisitions as they did in their subsequent letter, of the 25th January 1830?—I am at a loss to conceive, for the contrast is very remarkable in those letters; whether it was, that in the interim they had heard of my intention of coming home, and as the responsibility would be transferred to themselves, that they endeavoured to acquiesce in those propositions that I had been in vain endeavouring to persuade them to fall into, I cannot tell; or whether it was that they considered it useless to contend any longer against the decisions of the Chinese government; no further concessions were gained in February that were not obtained in the November previous.

3763. Was it generally known at Canton by the Chinese authorities that you differed in opinion from them?—It was not known officially; but there can be no doubt that it was generally known from the proceedings of the committee themselves; it was very universally known, there is no doubt: indeed the viceroy, in a subsequent edict, acquits me by name of any participation in the business; the edict is dated 30th November 1830, and the following are the viceroy's own words: " In the dunning petitions which were frequently presented, although the chief Plowden's name was joined
with

with the others, yet I, the governor, having instituted a minute enquiry, have heard that the affair was caused by Baynes, Millett, and others, irregularly putting forth their own decisions, and forming plans of perverse craftiness, so that all the ships remained long anchored outside, much of the cargo became mouldy and rotten, and the merchants were all injured thereby."

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3764. Do you conceive that the present system under which the foreign trade is conducted at Canton is an arbitrary system, left to the discretion of the local government; or that it is in the main grounded on the orders and instructions of the court of Pekin?—I should think, in the main, grounded upon the orders and instructions of the court of Pekin.

3765. Do you conceive that the privilege of open access to the tribunals of the country, if merely carried to the extent of placing foreigners exactly upon the same footing as natives, would be attended with any practical advantage to Europeans, considering the difference between their habits and usages and those of the Chinese?—I should say, decidedly not; I do not see any advantage that can result from such access.

3766. Do you understand that the Portuguese of Macao, at any period of their establishment there, maintained an absolute independence of the Chinese empire; and that their present decline arises from their abandonment of that line of policy, or from other causes?—Their present decline, I believe, arises entirely from commercial causes; but I have understood, that so far from being independent of the Imperial government, they actually pay annually a tribute for the possession of that place.

3767. It has been stated that Admiral Drury, for his forbearance, was despised and treated with indignity by the Chinese authorities; do you consider the indignities he experienced to have been the consequence of his forbearance, or of some previous steps of aggression or hostility, from which it was absolutely necessary for him to recede in order to obtain the restoration of the trade?—I should conceive from the latter cause; from some steps of aggression. There never was an expedition more badly conducted, I believe, than that one of Admiral Drury.

3768. Were the arrangements entered into by the Chinese government with the pirates on the coast exclusively the result of the fears of the government, or was it not a measure of successful policy, which terminated in the final suppression of those pirates?—I should say that both causes operated in that particular case.

3769. Do you not conceive that an appeal to precedent, and to those general principles of reason acknowledged in other civilized countries, will always have its weight with the Chinese government, and that a firm and consistent line of policy conformably therewith is the best mode of dealing with the Chinese?—Certainly, I consider that to be the true system, and I

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3770. Are you aware of the existence of any island or other spot upon the coast of China, the acquisition of which would be likely to be advantageous to our commerce, without at the same time incurring the risk of involving us in hostilities with the Chinese government?—I am not; and I do not think any such position could be acquired without the risk of involving us in hostilities with the Chinese.

3771. You have stated that the system of the foreign trade at Canton is grounded upon the orders and instructions of the court at Pekin; are the orders and instructions from Pekin arbitrary and uncertain, or do they proceed upon any system?—The system upon which the commerce is conducted in China is very well known; it is that of responsibility and security, which I believe emanates originally from Pekin.

3772. Is it liable to frequent changes?—Decidedly not.

3773. Are you of opinion that a direct appeal to the fears of the Chinese, with a view to induce them to abandon their present system in respect to foreign trade, would be a good line of policy?—I should say, decidedly not.

3774. Would it not be preferable to confine such appeals to cases of direct insult and aggression, which in no country could be submitted to, such as the direct violation of the security of persons or property?—Certainly; I think in those cases it may be proper to have recourse to force.

3775. Is there any reasonable ground for supposing that an individual delivered into the hands of the officers of the Chinese government on a charge of homicide, would have a fair trial; that is to say, that the fact of his identity, and the degree and nature of his guilt, would be fairly investigated?—I should say he would have no chance of a fair trial under the Chinese jurisdiction.

3776. What are your reasons for thinking so?—A strong reason in my mind is that which occurred to an American, in the year 1821; on which occasion, an American was given over to their tribunal, and he suffered death, without even the possibility of one European being present to see that he was fairly tried.

3777. Is not the surrender of any individual upon the charge of homicide considered by the Chinese equivalent to an acknowledgment of his guilt?—It certainly was in that case; and I believe it is in most cases.

3778. Was any application made at that time by the British Factory, or other Europeans, to be present at that trial, or to know what took place?—As it concerned an American, the English did not interfere in it at all; and the Americans, I believe took very little pains to be present at the time. The consul, who was an excellent man, was so disgusted with the proceedings, and want of unanimity among his countrymen, that he threw up his powers, and would no longer act as consul.

3779. Do

3779. Do you mean that the British Factory did not interfere because the man was an American?—I believe they were both ready and willing to have done so; but the thing was conducted in so much haste after the unfortunate man was delivered to the Chinese, that they had not time to interfere. The man was handed over to the Chinese under the promise that he should be fairly tried, and in one or two days, or less, he was tried, and desired to put the impression of his hand, coloured for the purpose (the way in which criminals acknowledge their guilt) upon his accusation, and upon that he was executed, I believe the following morning.

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3780. Are you aware that nearly a similar case took place about half a century ago?—Yes. The Chinese have, however, a strong sense of retributive justice, as has been evinced lately in their executing in the wholesale way about seventeen Chinese criminals, for massacring some Frenchmen who were wrecked in the French brig “*Navigation*,” upon the coast of Cochin-China; they brought them up from the coast of Cochin-China in a junk, and thinking that they possessed a large amount of property, they massacred them, but one man escaped and told his tale to the Portuguese authorities at Macao, who forthwith communicated it to the Canton government, and the vigilance of their police was so active, that they detained about forty Chinese passengers that had come in this junk to Canton; the governor of Canton immediately sent them down to be confronted with the Frenchman at Macao, and that led to a discovery where the junk was bound; the viceroy of the province (I believe Fokien) was immediately apprized of the fact, and first of all he treated it with a good deal of indifference, but when it came to the ears of the Emperor of China, he immediately ordered that there should be the strictest vigilance, and there was a cordon drawn round the city to which the junk was bound, so that no man could go in or out without examination, and by that means they discovered the murderers, or nearly the whole, and sent them down to Canton to be punished. They were there examined and tried before all foreigners of every description, who were invited by the viceroy to come and see them tried. The result was, that seventeen of them were executed, and all the Europeans that wished to be present attended the execution; sixteen were decapitated, and one of them, the principal, was, according to their language, cut into 10,000 pieces.

3781. Did those proceedings take place without any complaint on the part of Europeans?—The vigilance of the Chinese was so great, that before any complaint (except, indeed, the report of the Portuguese government) could be made, they were on the alert to apprehend them, and they speedily succeeded in apprehending the Chinese passengers that arrived in the junk.

3782. Did you or any members of the Factory attend the trial?—I believe almost every one of them; I did not go myself, thinking, as chief of the Factory, that I had better not, perhaps, be present upon that occasion.

3783. Were you able to ascertain what was the form of trial observed upon that

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that occasion, with reference to the proof of the offence committed?—The men were each brought down in a species of basket or cage, to the number of about thirty or forty, in baskets with hardly room to sit; a day was appointed, and the foreigners were all invited to be present at the trial. When the trial commenced these men were brought before the Frenchman who had escaped, and they were confronted with him, and those whom he pronounced to have been active in the massacre were immediately convicted, at least a mark was put upon them. There was one very singular circumstance happened upon the occasion, which was, that there was one of those unfortunate men who had befriended the Frenchman on board the junk, by telling him that such a thing was likely to take place, and had put him in the way of making his escape; this man when he came forward solicited the Europeans to intercede for him. Dr. Morrison and other people spoke to him, but as he was a Fokien man they did not understand his dialect; and when this man was brought up and confronted with the Frenchman, the Frenchman immediately recognized his friend and embraced him, and there was a sensation in the court of justice that was very striking, so much so, that the judge who was present was very much struck with it, and Dr. Morrison came forward on the part of all the European foreigners, to beg that his case might be favourably viewed, and in consequence it was favourably viewed, and he was pardoned; but the other men were executed in the way I have described. When this man went back to his province, to Fokien, the Europeans at Canton subscribed about 2,000 dollars for him; and when he got back to his own province, the viceroy of that province was so pleased with the consideration that had been shown him by the foreigners, that I have been informed that he himself gave him forty or fifty dollars, and protected him.

3784. From that statement is it your impression that the Chinese are desirous to do justice, whether as regards the murder of Europeans, or the murder of Chinese?—That is my impression, that they are desirous of doing justice. Perhaps upon this particular occasion, if they had not done justice, the Chinese government might fear that it would be held out against them, that we should not give up a man in the case of homicide against one of themselves.

3785. Is that the only trial of a Chinese for injuries done to, or the murder of Europeans, that has come to your knowledge?—That is the only one that has been so strictly investigated, to my knowledge; but there was a massacre of some Americans who arrived in a small vessel with opium at Macao, and those murderers were also detected and executed; but without, I believe, so formal a trial. The American vessel being small, and having a cargo of opium on board, a set of pirates were tempted to seize her, in which they succeeded, and massacred the Americans; the result was, a representation to Canton, and the viceroy employed his police in arresting those men, sent them down to Macao, where they were decapitated.

3786. From what you have stated of the reasonableness of the Chinese government,

government, is it your opinion that by negotiations any arrangement could be made by which offences done to Chinese, or by Chinese done to Europeans, could be conducted at Canton in some pre-arranged order, with a view of doing justice to both parties?—I believe it would be a most difficult arrangement to make, but I consider that such an arrangement might be made; and I have been told that all foreigners tributary to China, on the neighbouring frontiers of their own country, have an understanding that in all cases of homicide and death, the parties concerned shall be sent to their own country for trial, and therefore I should imagine that an arrangement of that sort might be made with Europeans.

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3787. Is it the fact that the Russian government maintain an agent at Pekin?—They have got an establishment there for the purpose of acquiring the language, in order to conduct the trade which is carried on at the frontiers; but I do not believe they have any political agent there.

3788. Are you aware whether any arrangement has been made by which that permission has been given to them which hitherto has been refused to Englishmen, or in what manner that has been effected?—I am not aware how that has been effected; it is generally supposed that it was for the mutual conduct of the trade.

3789. Are not the Russians excluded from the port of Canton?—They are.

3790. How long has that been the case?—I believe from time immemorial; having an inland trade on the northern frontier of the empire, the Chinese do not permit the Russians to trade by sea at the port of Canton.

3791. Does not the Chinese government in its edicts in cases of homicide, generally omit the name of the offender, and merely demand that the culprit should be delivered up to them; thus assuming that foreigners have a legal power of examining offenders, and of deciding upon their guilt or innocence?—That is the course they pursue generally; they sometimes, however, name the captain of the ship, if they can trace the offender to any ship.

3792. Are you aware that Captain Delkes obtained permission to be present at an examination of one of the sailors at a Chinese tribunal, and that the moment he attempted to interfere, he was expelled with some circumstances of indignity?—I have heard that stated to be the case.

3793. Are you aware in what way that gentleman had given offence by his interference?—No, I am not; it was before I was in China.

3794. Are you of opinion that a King's consul, unconnected with the trade, and having no greater power over it than consuls generally have, would be able to exert any considerable influence over the Chinese local government?—I consider that a King's consul would not be productive of the advantage contemplated by the petitioners; the Chinese, I am of opinion, would not regard the power of a King's consul alone, unless supported

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ported by some other influence. I consider that it is the great trade of the East India Company that gives this weight and influence in the eyes of the Chinese to the chief of the Factory ; the Chinese have on all occasions of disputes, when the officers of his Majesty's ships have been concerned, refused to acknowledge any authority but in the chief of the Factory, who was always considered by them the responsible party.

3795. Do you conceive that the English trading at Canton so exclusively regard the Company as their resource, that they would look forward with dread to the dissolution of the monopoly?—I believe that many of the English residents and agents in Canton would be very sorry to see the monopoly interfered with ; I have heard that stated by some of those who are most respectable.

3796. Are not the persons you refer to, persons carrying on the trade between India and China?—They are, to a very great extent.

3797. Do not you conceive that the result of a free trade between England and China, might be to throw a part of that trade between England and China into other hands than those which at the present moment carry it on?—I should say not.

3798. Do not you conceive that ships carrying out manufactures from England to India, might load with Indian produce in the Indian ports, carry that to Canton, and come back to England with a cargo of tea?—They might do so undoubtedly ; but I think the agents in India generally send their consignments to those they are acquainted with of long standing in China, or else they send their consignments by some of those very men who have signed this petition, Parsees and others. I do not imagine that any Englishman embarking in that trade would find it easy to wrest the trade from those parties.

3799. You are not aware that that is one of the views which the English merchants state with respect to opening the trade between England and China?—I am not aware of it.

3800. Is the trade with what are called outside merchants, suited to great and extensive transactions?—Decidedly not ; there is no confidence to be placed in these merchants, who are not licensed by the Chinese government ; and in the event of any debts being contracted, there would be little chance of their being repaid, unless the parties secured their money before quitting China.

3801. Is not the European trade, with the exception of occasional smuggling transactions in opium, practically confined to the port of Canton?—Decidedly so ; entirely.

3802. Is not the establishment of a Cohong, or any material reduction of the number of Hong merchants, a change in the system of trade at Canton which would prove injurious nearly in an equal degree to all parties concerned, whether the Company, the private trade of the English, or the Americans?

Americans?—I should say decidedly, that such a change would prove injurious. 16 Aug. 1831.

3803. Is not the prevention of this change mainly to be attributed to the exertions of the servants of the East India Company?—I should say so decidedly; it has been our endeavour always to prevent the establishment of a Cohong, and to promote the trade generally; and whatever advantages have been gained by the East India Company, have been enjoyed by all foreigners indiscriminately.

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3804. Have the Russians, whom you state to be at Peking, any political capacity?—I am hardly prepared to answer, from being ignorant of the subject; but I have always been given to understand that their situation is one purely of a commercial nature.

3805. Do you understand that the Russian missionaries have been dismissed from Peking?—I have not heard that.

3806. Are the Roman Catholic missionaries dismissed?—The Roman Catholic missionaries, I believe, are all dismissed, with the exception of one individual, who is a very infirm man, who is left there; two have been dismissed since 1820.

3807. Are there not missionaries from other parts of Europe, who are admitted into China?—There are missionaries from other parts of Europe that travel through the country, and are admitted clandestinely; three left Macao about six months before I left China: I heard from them from the interior of China; they were afraid to address their principal, who was the agent of the Propaganda Fide at Macao, and they addressed their letter to me, with an intreaty that I would forward their letter to this agent at Macao.

3808. Do you think the Chinese government are not aware of their entrance?—They went under disguise as Chinamen, and the Chinese government were not aware of it.

3809. If discovered, would they be seized and punished?—Most certainly; they would very probably lose their heads.

3810. Has not the establishment at Peking been broken up?—Yes; individuals are still enterprising enough to embark in that concern, but I believe very seldom with success.

3811. Do you believe that the Russian establishment possess any considerable weight at Peking?—I have never understood that they do.

3812. Do not you conceive that the circumstance of releasing the Hong merchants collectively from the responsibility of the debts of the individual Hongs is one of the most severe blows that could be given to the prosperity of the private trade?—I certainly consider it in that light, though I believe it was done with the best intention by the committee, as being a collateral cause of the embarrassments of the merchants.

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3813. Is there any other means to which an individual merchant can resort for the recovery of his claims at Canton?—In those very arrangements which have been made by the Chinese government, upon the proposition that the merchants should no longer be answerable for each others debts, they point out a way for the recovery of foreign claims at Canton. They say that, in all commercial transactions, at the close of your business you are to strike a balance; if a Chinese Hong merchant owes a foreigner money, and he refuses to pay it, and the foreigner is anxious to go away, the foreigner must, before he quits China, make a representation of his claim, &c. to the hoppo, a person (like all other mandarins) most difficult of access. In the event of that application being made to him, the claim of the foreigner, supposing the merchant fails, shall be considered just, and he shall be entitled to payment of his debt; but in default of doing this, the foreigner shall have no right to payment or even to appeal. There is therefore a way left in which Europeans can recover payment of debts, but not so advantageous, certainly, as that which has been resorted to for many years past, but now abrogated.

3814. Was not the former mode one which could be adopted by any single individual?—Yes; the way in which Chunqua's Hong failed was brought about by a single individual going and impeaching him to the viceroy for a debt of 80,000 dollars.

3815. You have stated that it would be a matter of great importance if an arrangement could be made between the Chinese government and ours for cases of homicide to be tried, do you mean that they should be tried upon the spot?—It is a very difficult question, but I have been given to understand that such arrangements have been made with the Cochin Chinese, and other people on the frontiers of China, for criminals under those circumstances being sent to their country, and being tried according to their laws.

3816. Are you not aware that all the witnesses must be sent to that country also?—Supposing an Englishman committed homicide, he would be sent home, and tried according to the laws of his country, and all the witnesses would, of course, be sent with him.

3817. Are not the British authorities at present practically under the necessity, in China, of screening the guilty, in order to protect the innocent, in cases of homicide?—I am afraid very much so; sometimes we are placed in a peculiar situation there.

3818. Is it not extremely desirable that some method should be found by which that embarrassing predicament could be avoided?—Certainly, it would be most desirable, but I consider it a most difficult thing to arrange.

3819. Are you aware that Dr. Morrison once entertained a plan to constitute a tribunal at Canton for the trial of such cases?—No, I am not aware that he contemplated such a plan.

3820. What number of homicides are committed upon an average of
years

years at Canton?—Considering the vast influx of foreigners to that place, the cases are very rare; during my residence of twenty-five years there, I do not think there were above three or four.

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3821. When they do occur, do they not almost invariably occasion a suspension of the trade, and vast injury to the commerce of the port?—Most assuredly they do.

3822. Do they not occasion a suspension of commerce, in some instances, for many months?—Generally, that is the result.

3823. Do not you think that two of the new regulations which have been referred to, the one taking away the mutual responsibility of the Hong merchants, and the other reducing the payment of the import duties to three weeks, are injurious to commerce in general?—That is my impression; I think they have not benefited the trade there.

3824. What inducements do you imagine led the British merchants there to join so cordially in requesting those two regulations?—I am at a loss to understand; it appears to have been a very short-sighted policy on their part. I believe the committee were actuated with the view of preventing the embarrassments of the merchants generally, and certainly the payment of each others debts was a collateral cause of serious embarrassment; there can be no doubt, however, that the abrogation of the old system of the mutual responsibility of the Hong merchants for each others debts will be severely felt by foreigners generally.

3825. Does it not appear to you that ultimately the whole Hong would be brought into a state of bankruptcy if that system had been allowed to go on?—Not to the extent that my colleagues made it appear, but it certainly was to be apprehended, that if Chunqua's Hong failed, the probability was, that Mowqua's might follow, and perhaps one or two of the poorer ones.

3826. Is it probable that so many as four would have stood, when all the debts of the others had come upon them for payment?—It is difficult to say, but I should think that four of them would have stood; Howqua, Puankhequa, Goqua, and Mowqua I think would have stood.

3827. But if they had not stood, the whole would ultimately have fallen upon Howqua?—It is most probable that it would.

3828. May not one reason for their wish to make these regulations have been a principle of justice, in order to give new regulations in favour of the Chinese as well as in favour of foreigners?—It may have been so; but I consider that both these two regulations were in favour of the Chinese.

3829. Were not the other regulations in favour of the foreigners?—They were.

3830. Is it not injurious to the general interests of the trade, that foreigners should deal to any great extent upon credit with the natives?—Certainly it is.

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3831. Are you aware that the trade carried on by individuals between India and China has of late years proved a very losing one, in the articles of cotton and opium?—I think it may have been so in the article of cotton the last year or two, but certainly not of opium.

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JAMES MILL, Esq. again called in, and examined.

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3832. IN one of your former examinations, in answer to question 3134, you stated that in India the principal source of revenue of the state must always be derived from the land; and that it was neither possible nor advisable to avoid this practice, in consequence of India being exceedingly poor, and there existing few sources of industry different from labour upon land; and that if you were to abandon the land revenue, there is no other means of obtaining a revenue. Now it appears that since the permanent settlement of Bengal, Behar, and Orissa, between the years 1792-93 and 1827-28, while the land-tax has stood the same, the whole revenue has increased from the sum of £4,536,000 to £9,150,000 or thereabouts, or in other words, been nearly doubled in a period of thirty-five years. How do you reconcile that fact with the opinion you have given?—A great proportion of this increase has arisen from two sources; the monopoly of salt, and the monopoly of opium. As far as the monopoly of salt is concerned, it is difficult to say how much is really paid out of the rent of land, in other words, how much the sums contributed by the ryots to the zemindars, of which we have no accounts, are necessarily kept down by the salt monopoly. With regard to the opium monopoly, the other great source of increase, it is not paid by the subjects of our government at all; it is a tax paid by foreign nations.

3833. Is it not equally a means of revenue for the support of government, whether paid by foreigners or raised from the internal sources of the country?—No doubt it is; it is a tribute laid upon a foreign country, in consequence of our possessing the supply, to a certain degree exclusive, of a particular article which is demanded in that country.

3834. Would not the opinion you have formerly given induce the Committee to believe that exclusive of the land there were no other means by which a revenue could with benefit to the country be raised?—Exclusive of the land, that an adequate revenue could not be raised is decidedly my opinion; as also that no other mode is equally good.

3835. You

3835. You have stated two sources of revenue; are you aware that the mint duties, for instance, which in 1792 were £5,000, have increased to £32,000?—That is very likely.

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3836. Are you aware also that the stamps, which were only £53,000, have increased to £238,000?—That may also be.

3837. Do you consider stamps to be a tax upon the inhabitants of the country, or paid by foreigners?—Not paid by foreigners certainly, though the opium is.

3838. Are you aware that the customs of the country also have increased from £78,000 to £367,000?—A considerable portion of this is paid by foreigners.

3839. The salt monopoly, which you mentioned, has increased from £1,054,000 to £2,382,000?—One observation may be made as applicable to all those facts generally. Suppose you were to abandon the tax on land, and to supply yourselves by taxes of another sort, a capitation tax, and taxes on commodities, a tax on corn, for example, a tax on salt, and other articles of necessary consumption; as it is still true that nine-tenths, and probably a larger proportion, of the annual produce of India is derived from the land, those taxes would in the aggregate fall in like proportion upon the land, whether you intended it or not. The sources of production are the sources of taxation; and as the great source of production in India, which yields so much of all that it does produce as to leave little behind, is the land, it follows, in my humble opinion, that the revenue must proportionally be derived from that source.

3840. May not a revenue be raised in India, as in other countries, by the increase of trade, by commercial transactions, and by various other internal regulations, without the possibility of its falling upon the rent of land, when that is fixed?—If you increase the sources of production, undoubtedly you increase the sources also of taxation, because the sources of production and the sources of taxation are the same. The moment you introduce to any considerable extent manufactures and trade into the country, there are new sources of production, and of course new sources of revenue, but so long as the land is almost the only source of revenue, so long must it of necessity be the only or the principal source of taxation.

3841. Does not the result of our experience from 1792 to 1828 show that there has been an increase in the other sources of revenue, exceeding the whole amount of the land tax at the time of the settlement?—The facts are, that the land revenue, three millions and odd, being fixed, has been stationary, while the revenue derived from salt and opium has mounted up to four millions; but that two of those millions derived from opium are paid by foreigners, and have no bearing upon my opinion with respect to the necessity as well as good policy of deriving revenue from the land. The salt tax is distributed over a large population, and it is impossible to determine how much it intercepts of what would otherwise be extracted from the land.

3842. In

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3842. In your answer to the question before alluded to, you have stated that there is really no one adequate source of revenue in India in your opinion, but the land tax. Does not it appear by the returns on the table now before you, that although the land tax is not much increased, yet on the whole the revenue from other sources has been doubled?—There is no question about the fact. The only question is, whether it contradicts my former evidence or not: I think it does not.

3843. May not there be other sources of revenue in India to which we may have access besides that of the land revenue alone, and is not that proved by the example of the last twenty-nine years?—What is actually proved by the example of the last twenty-nine years is, that about one million sterling more than before has been extracted from Bengal by means of a tax on salt; but it does not appear to me to be thereby proved that you can by other taxes supersede the land revenue, or that the land revenue is not the best.

3844. The question did not allude to superseding the land tax, but in aid of the land tax.—There is no doubt that all taxes come in aid of it, so far as you are able to raise them, and as far as you can show that these do not intercept what would otherwise be paid directly from the land.

3845. In the same answer you stated that probably nine tenths of the revenue of the government in India was derived from the rent of land. It appears however from an inspection of the public accounts that the real proportion of the land tax to the whole revenue of the British government, in 1827-28, is somewhat less than six tenths; a considerable difference from your estimate; arising chiefly from the state of the revenue in Bengal, Behar and Orissa, where the proportion of the land tax to the whole is less than one half, or about forty-two parts in a hundred, whereas in 1793 it was about sixty-eight in a hundred?—My remark of course extended to India generally, and did not include the particular circumstances of Bengal, which ought to be considered by themselves. Besides, when I said nine tenths, I used of course the language of a general recollection, and could be understood as aiming only at an approximation to the precise fact. The question however renders it necessary for me to repeat, what I have already intimated; my wish, in these statements, extending over an immense field, to be understood as not vouching for the perfect accuracy of my recollection. I believe I shall be found accurate in all the great matters. In the minor circumstances I never trust to my own memory; when I have occasion for accuracy I go to the source: still, in regard to the answer which has now been questioned, I believe that what I stated, leaving Bengal out of the question, and its extraordinary supply from opium and salt, is near the truth.

3846. It appears that the salt monopoly increased from £1,054,000 to £2,382,000, which was the amount in 1827-28. How do you account for that increase otherwise than by an increased consumption and consequent prosperity of the country?—There are other modes of accounting for a great proportion of it. When we first established the monopoly we were by no means

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means so perfect in our prevention of smuggling as we are now, and a very large proportion of the salt consumed made its way through the means of smuggling into the country.

3847. Are you aware that whilst the revenue is more than doubled from the salt monopoly, the price in the same time has increased more than fifty per cent?—The price, I believe, has been slightly progressive.

3848. Does not that large increase of consumption, notwithstanding the increase of price, which consequently would limit the use, show that there must be increased prosperity in the country?—There is a considerable increase of population, and there is a very great diminution of smuggling.

3849. Is there any particular period to which your attention is directed as regards the prevention of smuggling; because, by the returns before the Committee, the progressive increase is regular but gradual?—The observation with regard to smuggling would be exactly of the same sort. The improvement in the prevention of smuggling has been a process going on from year to year, the experience of one year affording instruction for the practice of the next.

3850. You are probably aware that the gross revenues of all India amount to about £22,800,000, whilst the land tax of all India amounts only to thirteen millions and a half. Would you therefore desire that the whole twenty-two millions required for the expenses of India should be raised by a land tax, or do you conceive it possible that such means should be resorted to?—What I stated was, that the revenue from the land should be limited to rent. I think it of great importance for any country, that as large a portion of the wants of its government should be supplied from the rent of land as can be, without infringing private property; that the rent of land, wherever it has not been converted into private property, is an invaluable resource to the state; and I gave it as my opinion that if the whole of the wants of the government in India could be supplied from this source, and all other taxes were remitted, India would be placed in a situation with regard to finance superior to that of any other country in the world; because in those circumstances I should consider the population of India to be untaxed.

3851. Admitting the same interpretation to rent which you have now given, and considering that the amount of rent to be raised is limited, do you think it possible to raise the revenues in India necessary to support the government there, and that recourse must not be had to other sources?—I believe that at present the rent of land in India is not adequate to the wants of the government, because I believe that upon the whole, with the exception of the permanently settled provinces in Bengal, where a portion of the rent goes to other parties, the whole of the rent is taken, and in some cases more; therefore my opinion is that the rent of the land in India is not equal to the expenditure of government, and that under the present state of expenditure a recourse to other sources is unavoidable.

3852. You have stated that it would be a most enviable situation for any country

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country to be placed in, where the government, being proprietors of the soil, should be able to raise all the expenses necessary to conduct the government by a rent, and dispense with other taxes; do you consider, from all you know of India as to the capabilities of increasing rent, that such an event could possibly take place?—I have not the smallest doubt of it, and to a much greater amount.

3853. Do you mean the rent of the land, without the application of capital to improve it?—Certainly not without the application of capital to improve it, I know no improvement without capital, nor any cultivation without it.

3854. Then do you mean that portion of the rent which you have described yourself to be the rent of land, that which is produced by the soil without the application of capital?—I have endeavoured before, on former examinations, to state as distinctly as I could what I mean by rent, which is the whole of the surplus produce derived from land, after making full remuneration to the cultivator for his labour and the use of his capital; in other words, as much as any man will voluntarily and knowingly give for leave to employ his capital on the land.

3855. If the land tax has decreased in the whole of India, from the year 1792-93, when it was 68-100th parts of the whole, if it has decreased to 42-100th parts in the year 1827-28, is not that a proof that other important sources have been discovered for increasing the revenue of India?—The fact proves itself; taxes to that amount have been raised.

3856. In reply to the same question, you stated that government deriving so large a proportion of its revenue from the rent of land, appeared to you to be one of the most fortunate circumstances that can occur in any country, because in consequence of this the wants of the state are supplied really and truly without taxation; and that as far as this source goes, the people of the country remain untaxed, the wants of the government being supplied without drain either upon the produce of any man's labour, or the produce of any man's capital. Can you state to the Committee any other productive source of taxation, derived from the barbarous predecessors of the British government, which has ever been relinquished in consequence of the government drawing the full rent of the land; but, on the contrary, are you not aware that it has had recourse to several new taxes, contrary to the feelings and prejudices of the people, such as stamp duties, town duties, house taxes, increase of the salt and opium monopolies, originating them even in places and provinces where they were before unknown, and the imposition of which has given rise in some instances to serious insurrection?—I am not aware that any one of those taxes was altogether unknown in India before the government of the East India Company; the house tax and town duties certainly not. Even stamps I have a notion were not altogether unknown; but there is a large list of taxes which the British government has remitted, too numerous for my recollection, but of which the account will be found in the documents

ments before the Committee. The taxes included under the head of Sayer, which have been remitted, were very numerous and very vexatious.

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3857. Do the opportunities you had of acquaintance with the correspondence with India at the time enable you to say whether those duties and taxes have not been remitted because they were unproductive and failed to succeed, and not on any principle such as you have stated ought to regulate the taxation of India?—Most decidedly on principle. It will appear by the documents before the Committee that there have been the most earnest injunctions to consider inexpedient all cases of small duties that were vexatious to the people in the collection, and to use every possible exertion to get rid of them.

3858. Do you recollect any one of those that was remitted on principle?—A great many; taxes on bullocks, taxes on ploughs, taxes on vegetables, taxes on a vast variety of small articles, and the whole of the extra cesses that were levied by zemindars and others; of all which particulars there is abundant evidence in the volumes of Selections.

3859. Are you not aware that the town duties enacted on all cities of Bengal are altogether new?—New in form. There was not anything the same in form then existing in some of the places where we introduced it, and that for a particular purpose; but it was certainly not a thing unknown to former governments, as the question appears to imply.

3860. Are you not aware that the imposition of the house tax at Benares in 1810 led to a disturbance, and also in Bareilly in 1816, because they were altogether new?—It was not the tax, but a combination of circumstances. The tax was introduced for the sake of what was called the subsidiary police, the establishment of chokedars in cities, towns, and sudder zillah stations; and the objection of the people was to this particular police, and the mode of its introduction, more than to the new tax on the houses, which was not persevered in.

3861. Are you not aware also, that in the Bombay territory and in Cuttack the salt monopoly is altogether new?—The salt monopoly at Bombay is altogether abolished; no such thing exists at Bombay, and it never existed otherwise than partially.

3862. How is the salt revenue derived at Bombay?—By a duty.

3863. Are you aware that at Madras the salt monopoly is new?—The salt tax is not new at Madras. Salt has always been a subject of taxation in India; our mode of raising it is new.

3864. Does it come within your knowledge, that one of the principal alleged causes of the rebellion which took place in 1817 in Cuttack was the imposition of the new salt monopoly?—I think the word “rebellion,” applied to those disturbances in Cuttack, is not a correct name for them; they had little to do with any particular tax, they rose from a dislike of our system generally; the machinations and turbulence of a certain Rajah, the

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3865. Is it your impression, that taxes productive of revenue have been repealed in any part of India to any great extent on principle, and not entirely from the failure of their production?—I should affirm, that a great variety of petty taxes have been repealed, and general instructions to that effect conveyed on the precise principle, that to a great extent those small duties were much more harassing to the people than other sources of revenue; that therefore they were inexpedient, and should with the utmost expedition be got rid of. Evidence of this will be found in the volumes of *Selections*. It will there be seen, that the transit duty has been particularly adverted to; and that all those duties that are obstructive to the industry of the people, or oppressive in the collection, have been directed to be with the utmost expedition abolished.

3866. Is it your impression that regard was not had to the great expence of collection, and to the small net revenue which those taxes produced?—By no means. If the question means exclusively, I am of opinion that regard was in all cases had, and surely ought to be had, to the expence of collection.

3867. Does not that involve the consequence that they became unproductive as to the net revenue, and consequently were discontinued?—Not in consequence of that solely, nor principally.

3868. When you state that, by drawing the rent of the land, the wants of the government are supplied without any drain, either upon the produce of any man's labour, or the produce of any man's capital, you of course mean rent distinct from the profits of capital?—Clearly.

3869. When such proportions of the gross produce of the soil as forty-five parts in one hundred are assumed as the share of government, as has been done in Bengal under the permanent settlement; ranging from forty-five to fifty-five parts, as has frequently been done at Madras; or when the tax is assessed on a rude estimate of the fertility of the land by officers whose corruption, according to your own statement, is so great that they are never to be trusted, unless under the superintendence of a stranger, does it not seem morally certain that some portion, and even a considerable portion, of the profits of capital must be taken from the cultivators, supposing those proportions to have been exacted?—I have stated, generally, that my apprehension and my opinion is, that hitherto more than the rent of the land has been very generally exacted in India; but it does not appear to me that such is a necessary consequence of the system by any means.

3870. Are the Committee then to understand that in your former answer you meant to say, that, on a deliberate consideration, you thought that more than the net rent of the land had been taken?—That is my opinion; and it is the opinion decidedly of the Court of Directors, and of all the governments in

in India, who have given instructions upon that supposition, and accordingly very large remissions have been made during a series of past years. 18 Aug. 1831.

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3871. If such has been the case heretofore, does it not inevitably follow, from the system which exists, and from your own statement as to the mode in which you would recommend annual settlements to be made, that it is impossible to be avoided?—I have stated that, though difficult, it is in my opinion perfectly possible to avoid over assessment; and I have never recommended annual settlements.

3872. You were understood to say that it could only be by an inspection of the produce from year to year that a just estimate could be made of what the land was capable of producing?—When the question was put to me with respect to leases, which I stated to be in my opinion a great instrument for the encouragement of agriculture, and attaining agricultural prosperity, I stated, in conjunction with that opinion, that in the present circumstances of the ryots and the circumstances of India, there were great difficulties in the way of deriving those advantages from leases, which, in more fortunate circumstances, are derived from them.

3873. The territories of Madras being thinly peopled throughout, the land in many provinces sandy, naturally sterile, and deriving the greatest part of its productive powers from artificial irrigation, attended with heavy expense, is it not certain, that when a large land-tax is taken in such situations, the greater portion of it must consist, not of rent properly so called, and as you have defined it, but of the profits of capital; and must not such a tax therefore prove highly injurious to the industry of a country?—If you take more than the rent; if you tax the profits of stock laid out upon the land, there is no doubt you will obstruct the progress of the cultivation of land, because capital will not resort to it upon these terms; but it appears to me to be by no means necessary that more should be taken from the land than the rent of the land, at Madras more than anywhere else. The same means that can prevent it elsewhere, will prevent it also there, and in reality, as far as our government at Madras is in question, the expense of irrigation is that of the government, and not of the people, with very insignificant exceptions.

3874. Can you state what in your opinion would be the best means of preventing the ryot cultivators being called on for the excess of a proportion of the produce, which you consider has been and would be detrimental if continued?—I have stated generally that there is no other mode of doing it in India but what is done in England and every where else, by every owner of land without exception; he endeavours to ascertain as accurately as he can, in the circumstances of every farm, what it can afford to pay. That has been done over a great part of India with a great deal of care and a great deal of exactness.

3875. Are you not aware that there is no one thing more difficult to be ascertained in England than that point which you have now stated; and if that be so in England, with all the assistance we have, and on the spot, do

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you consider it likely that in India any better results could follow?—I have stated my opinion very strongly already, that it is a thing of extreme difficulty, but it is distinctly to be borne in mind that you would not obviate the evil by abandoning rent as the resource of government, because the same difficulty would exist in the hands of any other owners of the land whatsoever.

3876. You will not understand that in any question that is put the idea is entertained of abandoning rent, but the point desired to be ascertained is, the best mode by which the just proportion may be fixed which the cultivator is to pay, and the means of protecting him in enjoying the profits of the capital he may employ upon the land?—That question, I conceive, I have already answered; there are no other means of ascertaining the value of land in India but those employed in England: but I should state that more careful and studied means of accuracy have been had recourse to in some places in India than are very common in England, even where private interest affords the stimulus; I allude to the revenue surveys that have been going on for a series of years in the Deccan, in Guzerat, and many other places, exhibiting a care and attention to avoid over exaction which can hardly be exceeded. Even that is not sufficient, because we have very imperfect instruments in India to act with, and it is always possible that a mistake may be made even by the most virtuous agents. But there is another source of information, by observing the facility with which the rent is paid, and by an accurate attention to the condition of the ryots from year to year, making remission wherever there is reason to believe that it will be advantageous.

3877. Could you direct the attention of the Committee to any one portion of India where that plan which you think best suited to protect the ryots and improve the country has been adopted?—I may point to the Deccan as an instance, and as evidence, to the Reports of Mr. Chaplin, in those volumes which are now before the Committee, exhibiting great care to protect the individual ryots; for though, as I stated before, that settlement in a general point of view is described as a village-settlement, cognizance has been taken over a great part of that country of the circumstances and condition of the holding of every particular ryot in every village, and pottahs given to them before the settlement is concluded. There are some Reports of Mr. Pringle, the revenue surveyor in Poonah, lately received, which are well worthy of the attention of the Committee.

3878. Do the results in that district to which you have referred bear out the accuracy of Mr. Chaplin's opinions, as stated in the Report alluded to? There is nothing that impugns them; the evidence from experience is of course exceedingly imperfect.

3879. It has been stated by the late Sir Thomas Munro, in his Report upon Malabar, that one-third of the revenue of that province is derived from a tax on fruit-trees. Now, as most of the trees in question, such as the palms, the pepper-vine, the jack, the mangoe and others, grow either in poor
sandy

sandy soils, where nothing else will grow, and of which there is more than can be occupied, or in dry and comparatively sterile lands, unfit for the production of valuable crops of corn, which are equally abundant; and as the trees in question take from four to ten years to bear, is it not plain that in this case, which is far from being a singular one throughout the Madras presidency, that the tax purporting to be a land-tax has no feature whatever of such an import?—I do not think that the circumstance of this tax upon the fruit-trees in Malabar bears out the conclusion which the question seems to imply.

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3880. Where land is poor, and the period of years in which a crop is produced great, will not, in that case invariably, the rent, as defined by you, be small in proportion?—Every thing depends upon the value of the produce; a peculiar produce may have a high and even a monopoly value, from the quantity of soil qualified to produce it. There are some vineyards producing grapes of a particular quality, which, though exceedingly sterile, yield enormous rents.

3881. Do you mean that they afford a proportion of the gross produce equal to what better lands would afford, taking into account the capital employed in both?—I leave out of the account the gross produce altogether; my standard is the surplus produce of the soil, after a full remuneration to the cultivator.

3882. Are you aware whether the collectors in India take the same view which you do of leaving the gross produce out of their sight in the settlements they make, or do not they settle the rent almost invariably according to the portion of gross produce?—I believe that the great proportion of the collectors have no very clear ideas about rent, nor very distinct notions of what it consists; but there is one of them, Mr. Pringle, the gentleman I have before mentioned, who the Committee, if they look at his Report, will see has a correct notion of it, takes it as his standard.

3883. Do you then confine your observations to one out of the numerous collectors there are in India?—I should say that collectors generally have not that notion, and that in general the governments in India hitherto have not had it; but this principle has recently been strongly inculcated upon all the governments by the authorities at home; I mean the principle of rent, not that of a proportion of the gross produce.

3884. Are the Committee to understand that they have authority to make those remissions of the revenue to enable them to make their assessment upon the just principles you have stated?—Entirely so; the most explicit directions have been given to consider that all that government is entitled to take, or can take with safety to its own interests, is the surplus of the produce of the soil, after a full remuneration to the cultivator for his labour and stock.

3885. Have any returns arrived at the India-House from any of the districts

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tricts where reductions have been made on the principles you have now stated, or have the orders only lately been sent out?—The orders have been but lately sent out in a very explicit form; and when remissions are made, it is not very common to point out on what particular principle they are made; all that is held necessary is to say that the old assessment has been found oppressive, and that, in the opinion of the collector, a reduction should take place.

3886. Suppose a farm in India in its natural state to yield a rent of £50 per annum, and suppose the same farm to be improved by an outlay of capital, so as to be worth £300 per annum, would you consider that a good system of taxation which would abstract one half, or one-third, or one-fourth of the gross produce, or which could be even founded on its estimated productive powers, considering that five-sixths of the productive powers of the land are not derived from the natural and inherent powers of the soil, but from the capital applied?—I think the answer to that question is substantially involved in several answers that I have already made. I have stated that, in my opinion, no portion of the gross produce of the land can ever be taken as the standard, because various proportions of the produce go as rent, according to all the various qualities of the soil, some lands yielding no rent, others a fifth, others a fourth, others a third, and other portions of the soil, of a still more valuable quality, yielding half, or more than half of the gross produce.

3887. If it has been stated in evidence before this Committee that one half was the assumed share of Government in the Ceded and Conquered Provinces, and that, after all the trouble and care that had been taken, the making an assessment was little more than guess work, do you think that statement correct?—In regard to the assumption of one half of the gross produce being taken, that must have been some very loose expression, wherever it has been used. That it can be a standard is perfectly impossible. Unhappily the assessment partakes too much of guess work every where; and it has been stated, in one of the questions already put, that it is little better than guess work in England. Great pains have been taken in India to make it as little guess work as possible; and I alluded to the Decan as a particular case, in which care has been taken to ascertain the capabilities of the soil, the cost of production, and the surplus that may remain after the remuneration is made to the cultivators.

3888. Is not the value of rent, as of all other things, determined in every country by the competition of those who have rent to dispose of, and those who desire to purchase it; and seeing that the land-tax in India is arbitrarily and crudely determined by one party only, in the absence of all competition, how can it with any show of justice come under the denomination of rent at all?—In this question there are three or four things mixed up, to which it is not possible to make reply all together. In the first place, I say that the rent of land does not depend upon competition; it consists, as I have

have already stated, of the surplus which remains after remuneration made to the cultivator for his labour and for his capital.

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3889. Do you mean to say that rent, generally speaking, does not depend on competition?—Clearly so; I mean that my words should be understood in the largest sense.

3890. As it is admitted that the land-tax of India is arbitrarily and crudely determined, why do you call that portion which the government receives a rent?—I have not called it a rent; I have said that what is received in India I fear exceeds what I have defined to be rent.

3891. Is not the value or amount of the share of the produce of the land that any land can afford to give ascertained by the competition to hire that land?—The competition to hire land among the farmers in England is undoubtedly an element for ascertaining the value of the land, which you are to a considerable degree deprived of in India. This competition is not a competition on the part of the landlord, but a competition on the part of the tenants, and their competition must be limited by that simple principle which I have already stated, that of full remuneration to them for their labour and capital.

3892. Are the Committee to understand that that which has hitherto been paid under the name of land-tax in India does not deserve the name of rent?—It deserves the name of rent, and it deserves the name of something more. My conception is, that the governments in India have derived the rent of land; but they unhappily have not limited their demand to the rent. That which I should call rent has been taken, and something more.

3893. Are the Committee to understand that the land-tax of India which has been hitherto received, consists not only of the rent, but of a share of the profits of the capital employed in that land?—Yes.

3894. And that in proportion to the extent to which that share of the profits has been exacted, you consider that the tenantry have been injured?—Yes; unduly, because partially taxed.

3895. In the Bengal Revenue Selections, vol. 1, p. 181, in the Revenue Letter from Bengal Ceded and Conquered Provinces, 17th of July 1813, signed by Lord Minto, N. B. Edmonstone, and Archibald Seton, in the 39th paragraph, are the following words: "Objections have been made to the tithes at home, because, being levied in proportion to the increased produce of estates, they necessarily operate to the discouragement of agriculture. If this objection be founded in regard to the limited demand for tithes, how much more forcibly will it apply in a case like the present, in which the government may aim at drawing to its own treasury, not a tenth of the increased produce of estates, but a third, a moiety, or two-thirds, or any other proportion which may have been contemplated of such improvement." Are you not of opinion that a land-tax, levied under such circumstances,

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circumstances, must prove as injurious to the rural industry of India as tithes do to that of England, and increased in proportion as the amount of exaction is increased?—Any proportion of the gross produce, whatever it may be, appears to me to be the same in principle with a tithe. I conceive that a tax, being a certain proportion of the gross produce, never can be otherwise than an impolitic and a bad tax; but I deny that the revenue now raised from the land in India, in any part of it, is practically raised upon that principle.

3896. Are the Committee to understand that the revenue now raised in India is not raised by the exaction of a certain portion of the gross produce?—It is not raised upon that principle; it is not a proportion of the gross produce that is the principle of assessment.

3897. Does not this letter which has been now read apply to the plan existing, of taking the third, a moiety, or two-thirds of the gross produce of the land?—The latter appears to me to be stating a strong objection to the taking that as the principle to go upon; it shows that the impropriety of it was understood as far back as 1813.

3898. If you consider these objections to have been made to the mode of assessment, will you state from what period an alteration has been made in that mode of assessment?—I should say that that mode of assessment never existed; it has been spoken of as a sort of thing that might be had in view, because it was the principle theoretically taken by the government that went before us, though in practice totally inoperative. With us the ground of assessment has been the payment of former years, and an observation of the state of the village and of the land.

3899. Do you mean to say that the settlements made in the Upper Provinces were not made with reference to the gross produce of the soil?—Upon the principle of taking a portion of the gross produce, decidedly not.

3900. Then upon what principle were the assessments made, levied as they were by officers admitted to be crudely informed of the value of the lands?—If I am obliged to refer to any one principle, I say the payment in anterior years; that was more the guiding principle than any other.

3901. Does it appear on what principle the payments of former years were fixed?—The payments of former years were in general regulated by the ability of the cultivators to pay.

3902. Did not Sir Thomas Munro, in his despatches from Madras, state that such was the practice, that a third or other proportion of the gross revenue was taken as land-tax for the soil?—If he had stated so I should not have believed him, because it is an impossibility; but he appears to me, when his words and actions are justly interpreted, to have stated the reverse; he has talked of this division as a principle, in the same way as it has been talked of in England. We have all of us heard of a threefold division of the produce

produce in England, a third to the landlord, a third to the soil, and a third to the cultivator; but we know perfectly well that the exaction of rent is not regulated by any such idea. All that is true with respect to Sir Thomas is, that he has used the language of the country, the language of the division, without acting upon the principle.

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Veneris, 19^o die Augusti, 1831.

JAMES MILL, Esq. again called in, and examined.

3903. ARE the Committee to understand that the opinion you have given as to the ryotwar settlement being the one you would recommend in India, has been come to on a consideration of the amount of revenue collected in Bengal, and also in the other provinces of India?—My opinion has been come to on a consideration of all the circumstances connected with the revenue, but more especially from the consideration of the protection and well-being of the ryots.

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3904. Besides Bengal, Behar, and Orissa, is not Benares also a district where the perpetual settlement has been made?—Yes.

3905. Are you aware that the revenue of Benares, from the period of its permanent settlement in 1795 to 1828-29, has advanced at the rate of eighty per cent., and from 1809-10 to 1828-29 at the rate of about twenty-nine per cent.?—I know it has increased very considerably.

3906. In answer to question 3380 and 3383, you have stated that there was a decline in the revenue of Benares in the period of seven years, from 1822 to 1829. Now it appears from the Appendix to the Second Report of the Select Committee in 1810, that the revenue in Benares in 1792-3 is put down at £442,850, being a period before the permanent settlement. In the year 1795-6, the year of the permanent settlement, it is put down at £408,865, and in the Appendix to the Report of the Select Committee of 1830, page *, the total revenue of Benares for 1809-10 are put down at £570,486.; for the year 1817-18 they are put down at £624,354, and in the year 1827-28 they are put down at £778,533, showing an increase in the whole of the revenue between the period of the permanent settlement from £408,865 to £778,533. If those accounts are correct, does it not appear that both in Bengal, Behar, and Orissa, and in Benares, where the permanent settlement exists, the total revenue at each place has very considerably increased?—I believe it has, upon the whole, in those provinces.

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3907. Are you aware that in the other provinces of India generally, where the permanent settlement does not exist, and where the periodical settle-

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ments are made, the revenue has decreased ?—The revenue has not increased in the Ceded and Conquered Provinces.

3908. Are the Committee to understand that you have stated that the government of India may, not only without detriment, but with signal advantage to the community, assume the full rent of land as a tax ?—Yes.

3909. Do you mean that the class of landlords or proprietors of the soil, which is a class deriving the rent of land and subsisting upon it, is not considered by you actually necessary in the frame of the Indian government ?—I consider them by no means necessary, and if we may judge by previous experience, I should consider them hurtful.

3910. Then your opinion is, that the rent of India may be collected by immediate settlement with the cultivators, without the intervention of zemindars or proprietors to live on a portion of the rent ?—Yes.

3911. As you have well considered the manner in which you would recommend the settlement to be made, and as it is presumed from your answer to a former question, that you would grant leases, will you state what period you contemplate, as likely to be most beneficial to the cultivator and to the government ?—I think the leases should be of considerable duration ; a few years more or less I consider of no material importance ; but I conceive, that the principle of the duration of the lease is, that there should be full time during the currency of the lease, to derive the full benefit of any ordinary expenditure of capital which the cultivation may require.

3912. What would be the most suitable period in your opinion ?—I think it ought not to be less than twenty, and I should not make it more than thirty years as a general rule.

3913. Up to the present period, have any leases for that period, on the plan you now suggest, been granted ?—They have been rented not in any very considerable number, but instructions to that effect have been transmitted to India, and thirty years have been named by the authorities at home, as the duration of a lease, which they should be willing to sanction.

3914. Were those instructions sent to every presidency of India, or if not to which of them ?—I think they have not been confined to any one presidency ; I may venture to say, that the instructions have gone to all the presidencies.

3915. Do you recollect the date ?—The dates have been recent, and it is but recently than any considerable discussion has taken place in regard to the duration of leases.

3916. Will the instructions to which you allude be found in the collections recently laid before the Committee ?—I believe that those collections which I see upon your table refer to other subjects ; but there is a continuation of the printed selections now in progress at the India House, in which they will be found.

3917. Are you aware at what period the Court of Directors had it under
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their consideration, and actually sent orders to India fixing or recommending leases of fifteen years, as the time that would afford every protection requisite to the cultivators?—I have no recollection of those instructions.

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3918. Are the Committee to understand that up to the present period, as far as you are aware, those instructions respecting leases to which you allude, have been acted upon?—I have no reason to suppose that they have not, they are not of so distant a date, as to make me know that they have been carried into effect to any considerable extent, because we have not information in consequence. It may be proper to mention what is nearly equivalent, that several renewals of quinquennial leases in the Bengal ceded and conquered provinces have taken place. They were settled fifteen or twenty years ago under quinquennial leases, and the instruction has been regularly continued, that those leases are to be renewed at the termination of those five years, unless there is particular reason to the contrary.

3919. Is it intended by the Court of Directors that one uniform system with regard to leases should be adopted in India, or are there various periods of arrangement according to the different districts?—The Court of Directors abstain in general, and I think with great wisdom, from giving directions to their governments abroad in any considerable particularity. They think it sufficient to give suggestions and general rules; to point out the great object to be aimed at; but they leave the governments on the spot to accommodate those instructions to particular circumstances.

3920. Do the instructions proceed to fix one rent for the whole period of twenty or thirty years, or are the leases to be granted on an increasing rent?—On a fixed rent, and under this understanding, that in the present circumstances of the ryots in India, and under the fluctuations of season, no such rents will be regularly collected; that frequently remissions and large remissions will be unavoidable.

3921. And no increase in any case?—No increase in any case.

3922. Is any provision made for the increase of cultivation by taking in waste lands, or is that to be included in the lease that is given of the land generally?—The whole of the land at the time the lease is given is included, and the cultivation of the waste belonging to any particular holding effected during the period of the lease will not give occasion to any additional charge.

3923. In the Ceded and Conquered Provinces you have stated that they now grant leases for five years?—Yes, which have been renewed several times upon the same terms.

3924. In the permanent settlement by Lord Cornwallis was it not one of the essential points that the ryots should all have leases or pottahs?—That was a recommendation, and it is in my recollection that it is in a Regulation, but it has never been acted upon; it was considered to be impracticable, and has remained a dead letter.

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3925. Are you not aware that pottahs were directed to be granted in almost every part where the permanent settlement was made?—They were directed to be given, and some attempts were made to have the thing done, but it never was done except partially, and in very few instances.

3926. Do you know why it was not done?—Difficulties and objections were alleged; both the zemindars and the ryots disliked them.

3927. Are you aware that by a regulation published in 1799 it has been a rule that whenever lands were sold for the debts of the zemindar every existing lease which the ryot had was cancelled by that sale?—That was so for a certain period, but I think it was put an end to.

3928. Is it not your opinion that such a practice must be highly injurious to the ryot by rendering the application of capital as regards the fruits to be derived from it very uncertain?—No doubt, very injurious.

3929. Is it your object that in every lease to be granted the tenant should be so secured that he may consider it as a settlement for his family or for himself, whatever may happen during the period for which the lease runs?—Perfectly so; it should be a complete property in the most perfect sense of the word.

3930. These questions have been without regard to the ryotwar settlement; but have any instructions been sent out as regards the village settlement?—The instructions in regard to leases and long leases have not been restricted in regard to the parties contracting. But where the contract is for a village or other larger district no leases are to be granted, unless at the same time and for the same period leases are granted under the cognizance of the collector to the inferior cultivators.

3931. And that it should be imperative upon the potails or mocuddums of the villages to grant leases to the cultivators similar to those proposed under the ryotwar system?—Yes, and the thing has been done to a considerable extent in the Deccan. In making the village assessment the collectors in a number of those cases, and the surveyors, have taken an account of the holding of every ryot in the village, and have with their own hands given every ryot in the village a pottah of this description for as long a time as the settlement was made with the potail.

3932. Are the Committee to understand that previously to granting the lease the same attention is to be paid to the ryots or the cultivators, with respect to the fields or lands that they are to obtain a lease of?—Undoubtedly so; a settlement equally strict will be made for each ryot as is made for the middleman.

3933. With reference to the power of withdrawing the leases in case of sale or a change of chief, are you aware whether that practice has not still continued in the Ceded and Conquered Provinces, the same as in Bengal?—Hitherto in the Ceded Provinces there have been no contracts in favour of the ryots: the settlement has been made with the mocuddums, the parties who have
been

been too frequently recorded in the collectors' books as proprietors: and the said proprietor has been left to collect from the village in any mode he pleased; but the instructions from the Court of Directors go to the protection of them, on the plan I have now stated. Hitherto the difficulty which has weighed with the authorities at home, even as to granting leases of more than five years' duration, has been that the leases were made with the mocuddums and the heads of the villages, the parties treated as proprietors, and that till the tenure of the ryots and the amount of payment they ought to make have been ascertained and defined, so as to make their rights susceptible of protection, it would be exceedingly hazardous to them to give leases of a longer duration to the middleman or head man.

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3934. Are you aware that Regulation 44, of 1793, passed as it is stated for the security of the public revenue, and for the protection of the landholders, actually limited leases to the period of ten years?—I am aware of that.

3935. And that that same regulation cancelled all the leases on the zemindary lands that should be sold?—Yes; but that law is, I believe, no longer in force.

3936. When do you expect this regulation with respect to granting these long leases to come into operation?—I expect that the rule will immediately come into operation; that in future settlements, whenever it is found that they can ascertain the circumstances of the ryots and make an agreement with them, the practice will be universal; but the making those agreements and ascertainties for the ryots is a process of detail and difficulty, and of course requires time in the operation. Instructions have been given to the collectors in the Upper Provinces, to proceed in those inquiries, village by village, and to make settlements in detail, as rapidly as they can effect the necessary inquiry. They originally went upon the plan of postponing the alteration altogether, till an ascertainment could be made for the whole of the provinces.

3937. You are aware that the Regulation No. 44, of the year 1793, which was passed for the security of the public revenue and for the protection of the heirs of the landholders, expressly enacts that no actual proprietor of land shall grant pottahs or leases to ryots or other persons for the cultivation of lands for a term exceeding ten years, and it further enacts that all pottahs granted to ryots for the cultivation of lands sold for arrears of public revenue, shall stand cancelled from the day of sale. Does it not appear to you from this, that the British Government, which made the perpetual settlement, did not itself attach any very great weight to the supposed hereditary and indefeasible rights of the ryots to the occupancy of the land?—I do not think that the object, or any of the provisions of that regulation, though I think they were impolitic, bore upon that question at all.

3938. In what way would this new scheme of granting these long leases affect that part of India which is under the permanent settlement?—That
part

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part of India which is under the permanent settlement, I conceive it is not applicable to.

3939. Would then the Regulation which has been referred to still continue in force, the Regulation prohibiting the granting of leases to ryots?—I believe that that Regulation does not now continue in force, the object of it was to prevent alienations of the revenue.

3940. You have referred to five years' leases without increasing rents; was it the practice to grant those leases in the Conquered Provinces?—Yes, in the Ceded and Conquered Provinces both; the whole of the western provinces.

3941. It appears that the amount of the land revenue of the Conquered Provinces in 1817-18 was 1,397,285, and in 1827-28 it was 2,046,000; how do you account for that increase?—A considerable portion of that country, when the leases were first made, was not settled on lease, on account of the proprietors, as they called them, or head men of the villages, not being forthcoming at the time. I cannot mention from recollection what was the extent of the country that was placed under khas management, or annually settled; but I conceive that this circumstance will account for much of the increase that took place, as the leases gradually were extended. There are various other contingencies, which are perpetually happening; the leases are given up, or they lapse from circumstances, to the government, and are re-settled; in various cases, also, there has been increase of cultivation in the Upper Provinces.

3942. Then you do not conceive that it is to be accounted for by any increase in the rent contracted for in the leases?—Certainly not, the leases have been renewed simply.

3943. And there has been no increase in rent, even in the case of additional land being taken into cultivation?—Not if it distinctly belonged to the particular village for which the lease had been contracted. It is only in cases in which cultivation may have been extended over portions of the waste, not so contained in the lands of any village.

3944. You said yesterday, that if there was no revenue raised in India but that derived from the rent of land, you should consider that the population of India was untaxed; does not a large proportion of the rural population of India consist of ryots?—Yes.

3945. Do you not conceive that the zemindar, under the permanent settlement, has a great power of exacting money-payments from the ryots?—I believe he has unlimited power.

3946. Supposing a zemindar to be involved in necessities, will he not be tempted thereby to endeavour to relieve those necessities, by extracting the largest possible payment from the ryot?—I believe he almost invariably does so; there are exceptions of benevolent zemindars, but I believe they are very rare.

3947. Supposing

3947. Supposing the difficulties of the zemindar to be increased by augmented taxation, or government demands upon himself, will not that induce him to have the same recourse for the purpose of relieving his difficulties, as if he was involved in those difficulties by wasteful extravagance?—I believe that his difficulties would operate upon him in the same way from whatever cause they are derived.

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3948. And that he would be induced to relieve those necessities by the same means?—Certainly.

3949. Would not the increased demands of the zemindar upon the ryots tend to encroach upon their comforts, and to abridge their capital as far as they possess capital?—Assuredly they would.

3950. Then, supposing increased demands upon the zemindar to induce him to make increased demands upon the ryots, will not the comforts of the ryots be affected by those demands made upon them by the zemindar; and if those demands made upon them by the zemindar are induced by the demands of government upon the zemindar, will not the comforts of the ryots be affected by the demands of government upon the zemindar?—No doubt, according to the above chain of circumstances.

3951. Then increased demands by the government upon the zemindar would have the effect, through the medium of the zemindar, of affecting the comforts of the ryots?—I should desire, in my answer, to speak with some limitation of the very broad terms of the question. I should say, that if the zemindar came to be pressed by the demands of the government, this distress would stimulate him to draw more from the ryot, in the same way as any other distress he might be placed under; but it is not easy for me to conceive a set of circumstances in which the zemindar should be driven to those distresses by the exactions of government, unless he were to be rendered subject to a peculiar tax, pressing exclusively upon the class of zemindars.

3952. Is not the land revenue a tax demanded immediately of the zemindar in those countries in which the zemindar is the middle-man between government and the cultivator?—The zemindar was understood, by the terms of the permanent settlement, to be constituted the owner of one-tenth of the rent of the land, he being under engagement to pay nine-tenths of it to the government. This tenth is his property; therefore I do not consider that those nine-tenths which the government reserved to itself, when it alienated one-tenth to the zemindar, ought to be regarded as a tax on the zemindar.

3953. Supposing, instead of reserving the nine-tenths, an increased demand was made by the government, if the zemindar was at liberty to do so, would he not reimburse himself by a further demand on the ryots?—Undoubtedly he would do so, if he had not already taken from them all that they could give.

3954. Then in the case in which he has not already taken from them all that they can give, and the coincident case of the government demand upon him

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him being increased, he would increase his demands upon the ryots?—I should expect so.

3955. Then how do you reconcile that state of things with the opinion, that where there is no demand made by the government but upon the profits of the land in the hands of the zemindar, the population are untaxed: would not the demand upon the zemindar lead to a further demand upon the ryots?—That is to say, the zemindar would demand from the ryots more than a rent, which I believe is the case now. He does demand more than a rent, and takes as much as they can pay. My remark was hypothetical: it went upon the supposition that the point of perfection was attained, that a rent, and no more than a rent, was taken from the land for the supply of government; that this rent was adequate to that supply, and that no other tax was raised. In those circumstances I should say that the country was untaxed. If anything occurs or exists which prevents that object from being attained, it would not be proper to say that the country is untaxed.

3956. Then that opinion of yours rests upon the assumption that the point of perfection is attained in making the demands of the government?—Clearly so.

3957. Which has not yet been accomplished in any part of India?—I believe not in any part of India, generally speaking.

3958. Do you not mean, that if the cultivators paid to the government no more than they would otherwise pay in other countries to the landlord, and had nothing else to pay under any other head whatever, they might be said to be totally untaxed?—Yes, that is my meaning.

3959. Are you aware that in some parts of Bengal, where there has been less change of property than in others, such as the twenty-four pergunnahs, district Moorshedabad, and others, the payments by the ryots to the zemindars have become as it were fixed by prescription?—I do not believe that they have become so fixed; I have no evidence to that effect, but I think I can produce plenty of evidence to the contrary.

3960. Then you are not aware that in some of those places rights of property have sprung up, not unlike that of copyholders in Europe?—I suppose the question alludes to a set of estates called the Puteetabady talooks; estates within the 24 pergunnahs, bordering upon the Sunderbunds, which have grown out of particular leases, not granted by zemindars but by government to ryots. There is a full explanation of them in one of the volumes of the printed Selections upon the table of the Committee.

3961. Then you are not aware that in some districts a few annas are frequently paid per begah, agreeably to the original settlement, and that from the introduction of indigo and other culture, the value of that has increased in some cases to a rupee, in some cases to two rupees per begah, and that the possessor of that is enabled not only to enjoy the profits, but to hand it down to his children?—I have no knowledge of any such circumstance.

3962. Yon

3962. You are not aware of any of those that are of the class of hereditary ryots?—None, unless they are independent of the zemindar, and holding property of themselves.

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3963. Where they are independent and holding by themselves, are you aware that that property has become of very considerably increased value since the settlement made by Lord Cornwallis?—The term “increase of value” is so exceedingly vague, as applied to those lands, that it is necessary to explain it. If it is meant that the land is able to pay a greater rent, that is very probable; it is the case of all the land in the neighbourhood of Calcutta, which has enjoyed the benefit uniformly attending the proximity of land to a large city.

3964. Are you aware whether it is not the case with respect to many of the zemindars with whom settlements were made under Lord Cornwallis’s system, that the property held is now stated by the dispatches from India to have increased to four times the value of that which they agreed to pay to the government of Bengal?—Yes, and much more.

3965. Is not that of the nature of our copyhold land, where they enjoy the whole revenue, and only pay a fixed sum for it?—The zemindar pays a fixed sum for his zemindary.

3966. Could any such increase of property take place under the system which has hitherto existed in other parts of India?—The same sort of advantage to the zemindar would undoubtedly not accrue in other parts of India, but the advantage that has thus accrued to the zemindar would have accrued to the government.

3967. Would these improvements, which have gone on under the perpetual settlement, have gone on under the existing system of temporary settlements?—If it is meant under a system of great over-assessment, I should say not, but if it is meant under the ryotwar system, without over-assessment, I should think that whatever improvements have gone on in Bengal under the zemindary system, would have gone on, and with much more rapidity and certainty.

3968. Is there any proof of that having gone on in any other part of India, where a permanent settlement has not been made?—There is not the same evidence of improvement any where in India as in Bengal.

3969. Does not that afford a fair ground to conclude, that under the permanent settlement there has been a greater inducement to make those improvements, in order to add to the value of their estates?—The two circumstances have undoubtedly been concomitant, but I by no means infer from this that the one is the cause of the other.

3970. You were understood to state, in the former part of your evidence to-day, that it was necessary, in order to encourage improvement, to establish a right of property in the soil by the length of lease you would give?—I conceive that to be one of the most important of all means of improvement.

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3971. If it is beneficial to create a right of property to encourage improvement by leases of fifteen, twenty, or thirty years, is it not *à fortiori* more important to give a permanent right to that property as an additional inducement to improvement?—I am not disposed to admit that conclusion; I am by no means of opinion that cases of a sufficient duration are not as effectual in improvement as permanency, and I should say, adverting to the experience of all countries, that improvements have been made by leaseholders, and not by permanent holders, in the great majority of cases.

3972. Will you explain why you consider a lease beneficial upon general principle?—By affording adequate encouragement to the outlay of capital upon the land.

3973. If that is an encouragement by securing the enjoyment of the profits of the application of capital, is it not your opinion that a permanent settlement would be a stronger inducement to improvement than a temporary one?—I think that, practically, it is not.

3974. Can you explain on what grounds you think a permanent security of property not so likely to encourage a man to improve his estate, as a right for a limited period?—Because I think, in general, the persons who own rent, and live upon rent, consume it all. That is the rule almost universally with them in India, and very generally, I believe, elsewhere. Accumulation is made by the immediate cultivators, and it is accumulation, and that alone, which is the source of capital.

3975. Do your observations apply to the granting permanently to the zemindar?—Granting permanently to the zemindar, or permanently to anybody, even to the cultivator, because if the permanency of his grant were to exalt him to the character of a zemindar, my observation would apply to him as well as to the present class of zemindars.

3976. Taking into consideration the great extent of cultivation, and the mass of ryots in India, how could the cultivation of a few begahs or of small lots of land, raise them into the character of zemindars, or even proprietors?—Supposing you were to fix a rent at the present moment, an equitable rent, neither more nor less than according to my definition of rent it ought to be; this, after a lapse of time, after the increase of population and the extension of cultivation, would become something less than the rent; in process of time, something considerably less. After that time, the ryot whose payments were thus rendered permanent, would not be merely a cultivator enjoying the profits of his stock, he would have become a landlord, enjoying also a portion of rent. As soon as he does enjoy a portion of rent sufficiently large to enable him to live upon it, he feels the temptation to let his land to other ryots, and cease cultivating himself.

3977. Is that the case generally in England with the proprietors of very small portions of land, do they not in general cultivate themselves?—I believe

believe in a great many cases not, in others they do, but I believe it is not found that they are better cultivators than the class of leaseholders.

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3978. Can it be supposed, in looking at the class of individuals who are to rent the lands in India, that such danger to any extent could take place?—The danger would not be immediate, because the progress of population and cultivation, which would render what would be an adequate rent at this moment, a good deal less than a rent, is a result which it must require many years to bring about. But supposing a payment was to be fixed in perpetuity, at the present moment, and that each of the present cultivating ryots was, after a certain number of years, to be the owner of a certain portion of rent, I should expect the consequence I have now mentioned to take place.

3979. How do you account for the improvements that have taken place in America and in Australia, and which are now taking place in the more densely peopled parts of those countries, except on the principle stated, of the cultivators being also the proprietors?—Those cases I think cannot very properly be brought into comparison with India; the circumstances are essentially different.

3980. Are you not aware, that in America it is not one in twenty cases where any person hires a farm, but that the almost general rule is, that the proprietor cultivates it?—That cannot be the case where the property is extensive. As long as the holding is small, no doubt it is so, but such great proprietors as Jefferson was in Virginia, Washington and others in various places, have their tenants.

3981. Then you are not aware, that the cases of having tenants are exceptions from the general rule in any of the States of America?—I have not the least doubt there are many persons in America who continue to accumulate, and to lay out their accumulations upon the cultivation of the land; but I believe that the inducements in America are of a very peculiar kind.

3982. Why should not the same principle operate in India, where so much waste land may be cultivated, as now operates in other parts?—I think the same motives do not exist. The people are in different circumstances. A population of old and rich countries transplanted into a country altogether new, seem to deal with land not as landlords but mercantile adventurers.

3983. Is there not also in Bengal unoccupied land of the highest fertility?—Not unoccupied land; for with respect to the uncultivated land, that is in the first instance, and for a time, very far from being fertile; it is covered with jungle.

3984. To try it by the test of experience, has not the ryotwar system been in operation, with little interruption, for thirty years; and from any information you possess, can you state that any improvement has taken place in any of the ryotwar settlements equal to that which has taken place in Benares, and in the settled provinces of Bengal?—The ryotwar system has not been in existence for so long as thirty years. Even where the ryotwar settlements

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were first introduced, they were interrupted by village leases for a term of years.

3985. Do you attribute the want of improvement to the introduction of those leases?—The want of continuity; but as to the comparison, the circumstances of Bengal where the settlement has been permanent, and the circumstances of those districts where the ryotwar has been introduced, are different in the highest degree. Bengal has been for a much longer period under our government, and the security which it affords. It was not till 1801 or 1802 that we possessed other territory at Madras than the Jaghire and the Northern Circars. Bengal is a much more densely peopled country; it has been the field of a much more active commerce from various causes; and another and main circumstance is, that the Madras territory came into our hands in a much more impoverished state than Bengal.

3986. In Benares the permanent settlement has existed for a much longer period than that; and do not you think that in that province more improvement has taken place than in any other part of India?—I consider that that partakes very much of the circumstances of Bengal.

3987. Then to what do you attribute the increase of the value of the zemindaries which has taken place since the permanent settlement?—The increase, in a great many cases, is owing to the great inequality of assessment under the permanent settlement. Some zemindaries were fully assessed, and more than fully assessed; others were greatly under assessed; we were then exceedingly ignorant of the circumstances of the country. In other cases the increase of value is to be accounted for by the zemindary being favourably situated, by increased cultivation, and a variety of other circumstances.

3988. Are you aware what was the value of those zemindaries before the permanent settlement?—They had no value before the permanent settlement.

3989. You admit that they have acquired value in some cases to the extent of one hundred-fold, what could give them that value but the permanent settlement?—The permanent settlement.

3990. Is there any value attaching to the possession of land in the Upper Provinces at all to be compared to that in Bengal?—The circumstances cannot be compared, because in the Upper Provinces the demand of government is liable to be increased.

3991. Do you conceive that improvement was going on in Bengal previous to the permanent settlement?—I have no doubt there was an increase of population in Bengal, which began with the quiet, tranquillity and security which our government introduced, and has not ceased.

3992. Are you aware that Lord Cornwallis, in his despatch of the 2d of August 1789, states the following communication, "I am sorry to be obliged to say, that agriculture and internal commerce have for many years been gradually declining, and that at present, excepting the class of shroffs
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and banyans, who reside almost entirely in great towns, the inhabitants of these provinces were advancing hastily to a general state of poverty and wretchedness?"—It is very likely that he made that description, but I should not admit the truth of it.

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3993. Are you aware that almost all the despatches from India at that period have nearly the same bearing?—Lord Cornwallis, and the people who generally wrote under his direction and under his influence at that time, were very anxious to make out a case for the permanent settlement, and Lord Cornwallis, of course, went upon the information that was given to him.

3994. You are understood to admit that, previously to the permanent settlement, a zemindary could not be considered to have acquired the value of many years purchase?—They had acquired the value of no years purchase, because they were liable to increased demands by the government every year.

3995. Are you not aware that the revenue derived from Bengal up to the time of the permanent settlement had decreased instead of increasing?—That is not in my recollection.

3996. Is it not within your knowledge that in the years which immediately followed the permanent settlement, the land in Bengal, Behar, and Orissa did no more than offer security for the revenue when it was brought to sale?—I believe that at first the sales brought very little.

3997. Are you aware that in 1796 one-tenth of the whole provinces of Bengal, Behar, and Orissa was sold for arrears of rent?—A large proportion, as I have stated in my former evidence; I do not know the exact proportion.

3998. Are you aware that in the year 1822, in a despatch of Mr. Colebrook's Minute, (see a letter of the government of Bengal to the Court of Directors, 1st of August 1822,) are these words: "The sale price of land is on an average equal to nearly four and a half times the annual-revenue of government; and landed property being very highly prized, we should imagine that where circumstances are favourable it may be estimated to amount to at least sixteen years purchase of the net rental?"—I have no doubt there is such a passage, but the words now quoted require some explanation, for it appears to me that there is ambiguity in them. I understand that what the letter is speaking of is the rate at which land is sold. But in one part it is stated that it sells for four and a half years' purchase of nine-tenths of the rent, and in another that it sells at sixteen years' purchase of the whole rent. Now that I do not understand. The first statement of four and a half years' purchase of nine-tenths, is surely a great deal more than sixteen years' purchase of one-tenth. If we suppose the meaning to be that the average is four and a half, and in peculiar cases sixteen, we may reconcile the assertions. But the language used in Bengal respecting years' purchase of estates, an expression they are fond of using, has sometimes one meaning, sometimes another, and we are left to guess what it is. Accurate language respecting number of years' purchase would denote the number of
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years' purchase of the one-tenth, which was supposed to be the share allowed to the zemindar at the time of the permanent settlement, and in that sense the variations are extraordinary. In some cases land is sold for not two years' purchase, and in some cases for fifty; and I believe there are instances of as many as a hundred years' purchase of the supposed tenth.

3999. In the same despatch there appears, from paragraph 245, to have been a sale of lands, and that the years' purchase, reckoning the proprietor's profit of ten per cent. on the jumma, is stated to be sixty-nine years, seven months and twenty-two days, and the lowest is twenty-nine years nine months and twenty-six days?—That appears to be years' purchase of the one-tenth.

4000. Since the establishment of the permanent settlement has not property acquired a value, and are not the zemindars able to sell it at that advance?—That is the case.

Martis, 23^o die Augusti, 1831.

JAMES MILL, Esq. again called in, and examined.

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4001. How do you account for the fact, that while the revenue of Benares, from the period of its perpetual settlement in 1795 to 1828-29, has advanced eighty per cent., and from 1809-10 to 1828-29 twenty-nine per cent., the revenues of the Ceded Provinces in Oude, under periodical and temporary settlements, have, between 1809-10 and 1828-29, fallen off between ten and eleven per cent., and between 1817-18 and 1828-29 by above twenty-one per cent.?—The series of questions now intended to be proposed to me having been obligingly communicated to me, I have been able to consider the general purport of them, and there are one or two remarks applicable to all of them, which if the Committee permit me to make at the present moment, may shorten the process of examination. The queries consist of two sets; one relating to the fluctuations which have taken place in the revenue, contrasting the progress of the revenue in the permanently settled parts of India, with its decline in those not permanently settled; the second set relating chiefly to the cost of collection, where also the object seems to be to contrast the expense of collection under temporary with that under permanent settlements. The facts which are the foundation of these questions, seem to be adduced for the purpose of one general inference, which is this, that if it appear there has been an increase of revenue and small cost of collection under the permanent settlement, and no increase but the
contrary,

contrary, and great expense of collection, under temporary settlements, therefore the system of permanency is good, that of non-permanency is evil. The statements which are adduced for the sake of this inference, are in general prefaced, in short they are put into the interrogatory form by asking how the facts are respectively to be accounted for. To questions of this description, it must be apparent that no detailed answer can be given. To state the causes of all the fluctuations of the revenue which have taken place in all the different parts of India, during a period of thirty-five years, would require months for exploring the records, and days not few in number, to deliver by word of mouth the particulars to this Committee. I suppose, therefore, that if in answer to the question which is applied to each of the several facts, namely, how I account for it, I state such general considerations as occur to me, and bear with weight upon the subject, this will be deemed sufficient, and all that is expected from me. Having had leave to premise thus much with respect to the questions applied to the several facts, I may also, perhaps, be permitted to make a remark in regard to the conclusion which it seems intended to deduce from them. If the facts, as they are placed in the questions before me were admitted, admitted without any explanation—if no satisfactory account could be rendered why there had been an increase of revenue in the zemindary provinces, and a falling off of revenue in the provinces under temporary settlements—this would, in my opinion, afford no ground whatever for the inference that the zemindary system is preferable to the ryotwar. To me it would still appear, that to bear out this inference there was nothing whatever in the state of the facts but this one circumstance, that they had existed concomitantly; that at the same time with the existence of the permanent settlement in Bengal there has been an increase of revenue, and in the districts and provinces temporarily settled there has been a decline of revenue. It does not by any means follow, because the zemindary system was contemporary with prosperity in the one case, the detailed and temporary settlement with the want of prosperity in the other cases, that they were respectively the causes of these opposite results. The question now put to me, the first of the series on which I have been permitted to make these remarks, consists of two parts; the first, an inquiry respecting the cause of the increase of the revenue in Benares during a certain period, and the cause of its falling off in the Ceded Provinces. The general observations which are applicable to the progress of the revenue in Benares, from the date of the permanent settlement, will be considered, I think, as going a great way towards accounting for all that progress. When the permanent settlement was introduced in Benares, it was only a part of the province to which the permanency extended. There was a considerable portion of it under temporary tenures at the time of the permanent settlement, under jaghire and moccerry grants. When the decennial settlement was made, which preceded the permanent settlement, pottahs were granted to zemindars and others, not merely for the period of ten years,

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years, but for their lives; so that when the permanent settlement was first introduced it did not extend to the whole of the province, but only to a part of it. From that time to the present, those life and temporary grants have been falling in, and have been resettled. There have been also very considerable resumptions of land under Regulation 2 of 1819; and there are many contingencies by which property is continually lapsing to government. The sale of those different properties which have, from these various causes, become the property of the state, has added considerably to the revenue in Benares. By one letter dated July 1819, the amount in one year from the sale of those estates appears to have been £376,125, settled at a jumma of 21,56. There is another remark which applies to all the provinces, that there are transfers of districts from one province to another; in 1819-20, for example, the district of Azimgur was added to Gazeepoor; and such alterations are frequently occurring.

4002. Is it your opinion that the increase which appears in the land-tax in the district of Benares, from £455,939 in 1810 to £605,809 in 1828, is accounted for by the resumption of lands which had been given away, and by the falling in of lives in the manner you have stated?—I have no doubt that the circumstances I have mentioned account for a great proportion of it; nor do I know any but circumstances of that kind (I do not pretend to have enumerated them in full) which can have operated to produce the effect; because, as far as the permanent settlement was made, and as far as estates once permanently settled remained under the permanent settlement, there can have been no alteration.

4003. What observations have you to make on the increase that has taken place in the other sources of revenue, such as the customs, sayer and abkaree, and stamps?—To a very considerable degree, I have no doubt it has arisen from more accuracy in the collection. It may have arisen in part from increased prosperity in the country. In regard to the customs and town duties, it is rather wonderful that there should not have been a greater increase, considering that Benares is the thoroughfare between the two great portions of India, Upper and Lower.

4004. Do you suppose there has been more accuracy in the collection of Benares where there has been that increase, than in the other districts, where perhaps it will appear that there has been a decrease?—I consider the accuracy in respect to collection to be the same throughout.

4005. What are the nature of those estates which you stated to have been sold in 1819, amounting to jumma annual rent of 21,56?—They were the estates which came into possession of government, and which government disposed of at a certain jumma permanently fixed. In such cases, the jumma which it is supposed the estate can bear is fixed and declared perpetual; the estate is then put up to sale, and disposed of on permanent tenure to the highest bidder.

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4006. Are you aware what number of years purchase of net rent payable to the sircar an estate will be sold for?—It is very variable; according to the estimate which the bidders make of the proportion which the jumma bears to the real capabilities of the estate.

4007. Are you able to state how many years purchase any of those jummas, as settled in 1795, would have been worth?—I cannot, but I have no doubt it appears upon the records.

4008. Does it not appear upon the records, that between the period of the settlement and 1818, and still more between 1818 and the present period, the value has increased to the proprietor?—I should expect that to be the case in Benares, in something of the same proportion as it has increased in Bengal.

4009. To what do you attribute the increased value of the property to the zemindars, if it is not arising from the permanent right they have in the soil?—No doubt it is from the permanent right in the soil that it becomes more valuable to them. Every thing that adds to the value of the property where there is a fixed sum demanded from them, of course adds to what they retain.

4010. Is it not understood that when the settlement was made in 1795, a fair valuation was made at that time of the value of the lands?—As accurate a valuation was made, I have no doubt, as was thought practicable.

4011. If the value has increased since that period, how can you account for the increase otherwise than by an increased cultivation and increased outlay of capital?—I have no doubt there is both.

4012. Can you account for the fact that between the years 1820-21 and 1828-29, the total revenues of the Ceded Territories on the Nerbudda held under temporary settlement have fallen off by above 52 per cent., and that the land-tax has declined from the sum of £543,372 to £303,689 being above 61 per cent.?—I think the question should be confined to the land-tax, because in the other departments it is not accurately determined how far the items have continued the same. To trace in the records the particular causes of this decline of the land revenue, would require much more time than was allowed me. I can only state, referring to the official correspondence upon the subject for minute information, that there was no doubt a very great over estimate of the capabilities of those districts when they first came into our possession, and a jumma was arranged for them which was found above their capabilities. As soon as this was discovered remissions took place, and a corresponding diminution of revenue.

4013. Was not the reduction gradual?—The circumstance of its being gradual corresponds with my remark; for the remissions are made in respect of this village and the other village, or this and the other estate, according as a pressure is found to exist.

4014. Can you account for the fact of the land-tax in the territories ceded

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by the Mahrattas under the Bombay presidency, which in 1820-21 amounted to £1,364,689 having fallen off in 1824-25 to £859,000, of its having risen again in 1827-28 to £1,417,679, and again falling off in the last year given in the public accounts, namely in 1828-29 to £1,156,000, being between fifteen and sixteen per cent. less than it was nine years before?—It appears to me that these fluctuations point very distinctly to their cause. There could have been no such alteration in the mode of collecting or assessing as to account for such extraordinary changes, but there are frequently such differences in the seasons as fully to account for them.

4015. Are you able to state what are the years of scarcity, and whether it is during a year of scarcity that the arrears take place, or during a year of plenty?—As to the years of scarcity, I must refer for a detailed answer to the correspondence. The falling off is the consequence of the year of scarcity, and the return to the former assessment is the consequence of years of plenty; and it is obvious how those fluctuations must appear large, merely as they stand in the accounts, because in adverse seasons large arrears remain, sometimes amounting to a great proportion of what is due from the land; these remain over to the next year. If the next year also is unprosperous there is an addition to the former arrears, and then there are two years in which a decline appears. When prosperous years succeed, not only the ordinary jumma is paid, but a great proportion of arrears of former years is brought up. These appear very prosperous years, and hence it is that in looking at the accounts of revenue derived from the land in a country liable to such fluctuations of productiveness, it is only by observing those of a series of years, and taking the average of a considerable number, that we can judge whether there has been a permanent progress or decline.

4016. Are you aware that in the year 1822-23 there was great abundance of harvest in the southern parts of the Madras territory?—I do not bear that circumstance in my recollection.

4017. Admitting that in the years of scarcity the revenue falls short, do any such fluctuations appear in the permanently settled districts in Bengal?—They happen much less in Bengal in the permanently settled districts, and from obvious causes, the zemindars pay not the whole of the rent of the land, but only a portion of it; and if they are not men of property, they are almost always men of credit, and are able to borrow the money required.

4018. Are you able, from your knowledge of the transactions in those districts, to say, whether a considerable cause of the fluctuations may not have been over-assessment at one time and reduction at another?—I believe that over-assessment is one grand cause of the appearance of those fluctuations.

4019. Then you admit that in the permanently settled territories there is less fluctuation than in the others?—My remark was confined to Bengal; there is actually less fluctuation in Bengal, and it may also be stated that Bengal is less liable to fluctuation of seasons than any other part of India.

4020. Referring

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4020. Referring to the paragraph 146 of the Revenue Letter to Fort St. George which is contained in vol. 1. of Selections, page 547, it appears from that, that the revenue is collected in general as well when crops are scarce as when plentiful; and as an example, it may be mentioned that in the year 1822-23 the revenue of the Nizam was £669,523, in the year 1823-24, which was a year of famine, £816,401, and in the year 1824-25, which was a year of plenty, £529,107?—Observations in regard to famines in the particular years of the famine are to be distrusted; because all the results of them do not appear till subsequent years: but the remark in the letter referred to, if I collected its import correctly, refers to a particular cause: it says that the Board of Revenue expected high prices in consequence of the diminution of produce, and that the Court of Directors thought the people, if that were the case, might be able to pay as easily as in a year of plenty, referring merely to the chance of a rise of prices; but it frequently happens, and has indeed been complained of severely of late years, that along with a great decline in the quantity of produce there has also been a want of markets and a decline of price.

4021. Are you of opinion that those great fluctuations arise from want of capital to purchase, in years of plenty, the corn to retain for years of scarcity as takes place in countries where capital abounds?—This has, no doubt, a very great effect; and the inability of a body of exceedingly poor cultivators to bear the effects of an adverse season, and to make up for the deficiencies of such seasons, either by previous property or by existing credit, is much greater than that of richer cultivators. If rich to a certain degree they would be in the condition of the Bengal zemindars, and able to pay every year.

4022. In that view must not the existence of capital to be applied to that and other purposes have a very beneficial effect in securing equally the quality of revenue in any district?—Assuredly.

4023. Can you account for the fact which appears by returns in the public accounts of the total revenues in the ancient possessions under the Madras presidency, comprehending the whole or nearly the whole of the countries permanently settled, having advanced from 1793 to 1827-28, by above forty per cent., and the land-tax having increased by above twenty-eight per cent. in the same period?—When it is stated that the ancient territories of Madras comprehend the whole, or nearly the whole of the countries permanently settled, there seems to be some inaccuracy. The ancient possessions of Madras comprehend the Jaghire and the Northern Circars. The Northern Circars, or at any rate the principal zemindaries, are permanently settled; but I believe there is hardly any portion of the Jaghire that is now under permanent settlement.

4024. In the greater part of the Madras territory has not the permanent settlement been done away, and ryotwar settlement been substituted for it?—The mootahdary settlement totally failed; there may be a few mootahs

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still remaining in Baramallil, and perhaps in Salem, but with those exceptions I believe there is not one of them in existence.

4025. Then of those countries which are permanently settled, are you able to state how far the increase has taken place?—Of late years I know there has been no increase. I formerly stated that during the seven years preceding 1830 there had been a gradual decline in the Circars.

4026. Do your observations apply to that portion of the ancient territories that is settled, or to the portion not settled?—This applies entirely to what is settled in the Northern Circars, Ganjam, Vizagapatam, Rajahmundry, Masulipatam, and Guntoor. The Jaghire, I believe, is almost wholly under temporary settlements upon the ryotwar plan; introduced gradually as the mootahs fell into the hands of government, by being either sold or relinquished.

4027. How is it to be accounted for that the land tax in the Carnatic, under temporary and periodical settlements, has fallen off 12 per cent. in the nineteen years between the years 1809-10 and 1828-29, whilst the whole revenue has increased only by a small fraction of less than 3 per cent., the sums being thus: In 1810, by this table, the land tax for the Carnatic was £1,176,528 whilst in 1829 it was £1,036,259, whilst the other taxes had increased from £172,560 to £352,860?—In the statement referred to in the question the land tax in the Carnatic in 1810 appears to have been eleven lacs 77,520; in 1818 it was twelve lacs 27,542; and in the two last years, which were years of scarcity, it was ten lacs 7,401 in the one, and ten lacs 36,000 in the other. Now I should not infer from this that there had been any falling off, because I should expect that the return of prosperity would show an increase even exceeding the amount in 1818. To the distress arising in these years from badness of season was added the calamity of the cholera; and along with that an epidemical and destructive disease among the cattle.

4028. How do you account for it that the land-tax of Tanjore, which in 1809-10 was £419,199, had fallen off to £340,626 in 1828-29, being a decrease of about eighteen per cent., whilst the whole revenue has declined in those years only by five or six per cent.?—There have been large remissions in Tanjore in consequence of over-assessment; and the progress of other sources of revenue appears to me to indicate general prosperity.

4029. You have stated that it has been discovered that over-assessment had taken place; do you consider it possible that prosperity should exist in a permanently over-assessed country, considering that so large a portion of the gross produce of the soil is taken?—Every thing depends upon the degree and the duration.

4030. Is not Tanjore a very fertile province?—It is fertile in consequence of being watered by the Cauvery; from which cause it is less subject to fluctuations of seasons than other parts of the Madras territory.

4031. You have stated, that permanent remissions have been made, on its
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being discovered that the land assessment was excessive; are the Committee to understand also, that in years of scarcity remissions of the actual assessment also have been made?—The mode of dealing with the defalcations of unfavourable years is to allow whatever the ryot cannot pay to stand over as arrears; and if he cannot pay the next year, to stand over again; consideration being always had, whether it is a real inability, or whether, which is very frequently the case, it is only feigned.

4032. In the accounts contained in the Appendix to the Second Report, taking for instance Tanjore, there are sums stated as balances, is that understood to be arrears?—They are arrears; and after a time, such arrears, when it appears that they cannot be recovered without distress to the ryot, are written off.

4033. Was that excellent rule applied in the Deccan during the years of scarcity?—That practice is universal.

4034. Have you not reason to think that the revenue was in those years very rigorously exacted, and that the ryots in the Deccan have not to this hour recovered the consequences of that severity?—Cases are frequently occurring in which it is discovered that too much rigour has been employed, and they are deeply regretted both by the governments in India and by the authorities at home.

4035. In the territories ceded by Mysore, managed under temporary and periodical settlements, chiefly ryotwar, the land-tax appears to have declined between 1809-10 and 1828-29 between twenty and twenty-one per cent., whilst the other taxes have declined also between twenty-seven and twenty-eight per cent., and the total revenues have fallen off in these nineteen years by a sum exceeding £350,000 or between twenty-three and twenty-four per cent.?—I observe from the table referred to, that in 1810 the land revenue in the provinces referred to was low, and I know that about that period, very material remissions took place in consequence of the discovery of over-assessment, and I observe from the same table, that afterwards the revenue has been progressive.

4036. Is not the diminution on the whole of the land-tax and other taxes correctly stated at about £350,000 a year?—I suppose it is.

4037. Can you account for the fact of the land-tax in the territories ceded by the Nizam, which for a period of between twenty and thirty years have, with the exception of some years under village settlement, been under the ryotwar management, having fallen off between 1809-10 and 1828-29, by the sum of £120,825, being between twenty and twenty-one per cent., and the whole revenue having declined in those nineteen years, by an amount of three or four per cent.?—Those districts suffered materially from the changes of system to which the management of them has been subjected, and are now slowly recovering from that impoverishment.

4038. Can you account for the still more striking fact of the total revenue
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of the districts of the Nizam having been, when Sir Thomas Munro delivered over charge of them £718,037, its having fallen off two years afterwards, to wit in 1809-10, to £662,841, its having risen in 1823-24 to £816,401, its having dropped off the next year to £529,107 being a decline of thirty-five per cent., and finally, that in 1828-29 it was between ten and eleven per cent. less than it was twenty-one years before?—I see that in 1807-8, the year to which the question alludes, the revenue was, in round numbers, £718,000; in the next seven years there was a considerable decline, the highest of those years not exceeding £685,000; that after those years the revenue again rose nearly to the former amount, and continued at that amount for two years. In the third year there was again a falling off; in the next year there was an increase beyond the first of those years; that increase was nearly kept up in the year after. The following year there was again a decline to £663,000; in the next year a rise; in the next a decline. The next year, namely 1823-24, the revenue was higher than it had ever been before, *viz.* £816,000. In the year after that it fell below what it had ever been before, *viz.* to £529,000; and for the remainder of the years, from 1825 to 1829, it has regularly been low; which I account for by the adversity of seasons, it appearing to me that in the previous years there was no decline.

4039. Is there not still a decrease from the year in which it was delivered over by Sir Thomas Munro?—Yes, but an increase above the year immediately preceding that.

4040. Are those fluctuations to be attributed to the seasons and deficient crops, or is there any general rule that you can lay down for accounting for it?—I should say from an inspection of the column of figures before me, stating the annual receipts from 1806-7 to 1828-29, that there is the strongest evidence of a revenue not declining.

4041. Do you recollect in what year Sir Thomas Munro recommended a reduction to be made in the assessment from twenty to twenty-five per cent.?—I believe it was in 1807-8.

4042. Do you know when that reduction, as recommended by Sir Thomas Munro, was carried into effect?—I should think, from the table before me, it must have been carried into effect immediately, for during the next seven years there was a reduction in the amount of revenue, and after those seven years a rise.

4043. Are you aware that Sir Thomas Munro only carried that reduction into effect a few years before he died?—I believe that it was in the course of being carried into effect the whole of the time that he had any authority.

4044. Do you not know that in point of fact, until a very short period before his death, it was not carried into effect?—If it is meant that it was not universally carried into effect, I am unable to answer the question; that a great deal had been done towards it I am sure.

4045. It appears that in section 39 of the 24th of Geo. 3, c. 25, it is
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stated, "And whereas complaints have prevailed that divers rajahs, zemindars, polygars, talookdars, and other native landholders within the British territories in India, have been unjustly deprived of or compelled to abandon and relinquish their respective lands and jurisdictions," and required to pay so and so; and it concludes by "for effectually redressing in such manner as shall be consistent with justice and the laws and customs of the country, all injuries and wrongs which the said rajahs, zemindars, polygars, talookdars, and other native landholders may have sustained unjustly in the manner aforesaid, and for settling and establishing, upon principles of moderation and justice, according to the laws and constitution of India, the permanent rules by which their respective tributes, rents, and services shall be in future rendered and paid to the said United Company by the said rajahs, zemindars, polygars, talookdars, and other native landholders." Do you understand that clause of that Act to have enforced a permanent settlement of revenue?—If I understand the purport of the clause which has now been read, it has nothing to do with the permanent settlement; it merely ordains that such rights as actually belonged by the law of India to various parties named should be secured to them.

4046. You do not think it applies to a permanent settlement of the revenue?—Decidedly not.

4047. From the moment Sir Thomas Munro became governor of the Madras presidency, was not it his great object to inquire into the state of the revenue, and to continue reducing where reduction was wanted?—It was the anxious and unceasing endeavour of the Madras government to discover where the assessment was onerous, and not of the Madras government only, but of all the governments in India; there is no one thing about which they are more anxious, or which they understand more distinctly to be essential to their interests.

4048. It appears that in 1809-10, the land-tax of the Conquered Provinces under the Bengal presidency was no more than £1,189,843, in 1817-18 it rose to £1,397,285, and in 1827-28 it rose to £2,046,652, being an increase of £649,367, and considering that there was a decline in the subsequent year, or 1828-29, of above £43,000, can you account for that extraordinary change?—The increase, the regular increase, which took place in those provinces, I have no doubt was owing to the causes I have assigned for a similar increase in Benares. Originally a portion only of the territory was permanently settled; another portion of it remained under temporary settlement, and has been gradually sold and added to the permanent settlement since. Observing the table before me, I see that in 1809-10 the revenue is £1,378,348; for several years, till 1825-26, it continued nearly stationary, and in the year 1826-27 there was an increase of not much less than £500,000.

4049. How did that arise?—I suppose that there was a very great annexation to the permanently settled portion during that year; from which year onward, it appears to have continued stationary.

4050. Does

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4050. Does that same revenue continue now by the last accounts?—This table is made up to the latest accounts we have, and there is no reduction.

4051. Comparing the extraordinary increase which has taken place in the revenue of all the countries permanently settled, with the decline which, with a solitary exception, has taken place in all those parts in which temporary and periodical settlements, and above all ryotwar settlements prevail; does this fact not throw some doubt over the supposed advantages of temporary settlements?—The remark which I made at the beginning of this day's examination appears to me to be a reply to this question. What is assumed in the preamble of the question I do not altogether admit; because I should say that a continued increase is only exemplified in Bengal and Benares. I do not admit that there is this increase in the permanently settled districts at Madras. In Bengal the increase has arisen mainly from salt and opium; and when it is considered that Bengal is not only the most fertile portion of India by many degrees, but one of the most fertile places on the face of the earth, under circumstances peculiarly favourable from the regularity of the irrigation; when it is farther considered that the land revenue, speaking in round numbers, is in the Lower and permanently settled Provinces three millions, and that in the Upper Provinces it is also three millions; considering, in the next place, that Bengal enjoys the great advantages of a navigable river running through the heart of it; considering above all, that the population of Bengal is double the amount of that of the Upper Provinces, the small amount of comparative financial prosperity which it exhibits appears to me one of the strongest proofs which can be adduced, that it is under some very pernicious system of management.

4052. Are you not aware that, previously to the permanent settlement in Bengal, notwithstanding the fertility and all the advantages which that country possessed, the revenue had decreased, and poverty had also increased throughout that district?—I have not the particulars of the years previous to the permanent settlement in my recollection, but there had been great fluctuations in the state of the government, and the country had been a scene of war and desolation previous to our obtaining possession.

4053. The question alludes to the period from the time when we acquired it up to the permanent settlement in 1793, whether during that period, notwithstanding the advantages you have stated, the country was not retrograding?—I have not the evidence to that point in my recollection.

4054. Are you aware whether Lord Cornwallis states that fact in his despatches to the Court of Directors?—It is very likely he does; I do not dispute the fact.

4055. The same fertility existing, but a different management, the one being a permanent settlement and the other a fluctuating settlement, do you not think a fair conclusion may be drawn that the former of those has tended to promote the prosperity which now exists in Bengal?—I should not draw that conclusion. Among the circumstances which then prevented prosperity
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may be mentioned one which occurs to me as likely to have had a great effect, that during the years antecedent to the permanent settlement there was no administration of justice, nothing which deserves that name; whereas a great deal has been done to provide an accurate administration of justice since that period.

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4056. Do you now state that there is an efficient court of justice, where the ryots can obtain decisions on any of their claims at the present time in Bengal?—I believe there are great defects in the administration of justice in Bengal, as there are everywhere else, but I believe also there are great virtues.

4057. Can you state the amount of arrears at the present existing in Burdwan or any of the other districts under the Bengal presidency?—I cannot.

4058. Have you any doubt that many thousand arrears exist?—I have no doubt there are great arrears.

4059. Have you any doubt that ryots generally, in preferring complaints against their zemindars, cannot expect to have their causes decided, or justice awarded, for years?—I believe there is delay and other impediments, such as to interfere greatly with the protection of the poor men, to be nearly a denial of justice to the ryots, from which, in combination with other causes, the condition of the ryots I believe to be most wretched.

4060. Is not that at variance with what you have just stated as a cause of increased prosperity in Bengal, namely, a more efficient system of justice than formerly existed?—There is justice to those who are able to pay for it; and that is something of vast importance towards the increase of capital and prosperity; though such increase would have been far greater if there had been a protection from law to every body.

4061. Speaking generally, is it your opinion that the ryots have anything like a chance of justice in their applications to the courts, taking into account the fees and the delay attendant on every application?—I believe that the difficulty of access to justice on the part of the ryots, as on that of the poor man every where else, amounts to almost a denial of justice.

4062. To what cause are you disposed to ascribe it, that the total revenues of Madras in the nineteen years from 1809-10 to 1827-28, (the amount of territory being nearly the same) have fallen off from £5,515,187 to £5,338,637, or a decrease to the amount of £176,550, while in the same period the total revenues of Bengal, deducting those of the ceded territory on the Nerbudda, have advanced from £10,282,917 to £14,413,688, or an augmentation by the sum of £4,130,763. To what cause do you ascribe that increase in the one and decrease in the other?—I observe that the total revenues of Madras in 1809-10 amount to £5,515,187. I observe also, that in the last year that can be accounted for, 1828-29, it amounts to £5,576,000, which appears to me to be a very slight difference. I should say that by the

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column of figures before me, including the intermediate years, there is evidence of great steadiness. With regard to Bengal, I have accounted for a considerable proportion of the increase from the circumstances of Benares and the Conquered Provinces. When the revenue derived from opium, which is paid by foreigners, and the increase from the salt monopoly, a great proportion of which is owing to the prevention of smuggling, are added to the advance of the land revenue of Benares and the conquered territories, springing from causes having little or no connection with any prosperity in the country, the increase of revenue in Bengal, not thus accounted for, will, I think, appear surprising for its minuteness, not for its magnitude.

4063. In what does the opium differ from the advantages of foreign trade?—The two cases are radically different; from the circumstance of your imposing a monopoly price, you obtain from foreigners a tax analogous to that from salt, which you raise upon your own people.

4064. You are probably aware of a statement respecting salt-revenues presented not long ago by Mr. Tucker to the Court of Directors. Do you recollect what Mr. Tucker says respecting salt?—Not particularly.

4065. Are you aware that he considers that smuggling exists as much now as it did at the period referred to in the question?—That there is smuggling I have no doubt, but that it continues in anything like the same degree I do not believe.

4066. In any increase that may have taken place, are the Committee to understand that the five years leases that were granted have been renewed without any increase whatever to the charge?—Always.

4067. Do you believe that the whole increase of salt is owing to the prevention of smuggling, or that a very considerable portion of it has arisen from the increased capability of the population to consume salt?—I have no doubt that a portion of it, how great a portion I cannot say, arises from the increased amount of population, which is very considerable.

4068. Does not the increased productiveness of other taxes besides those of the land in Bengal, as compared with other districts subject to the temporary settlements, afford a fair conclusion that the inhabitants are in such a condition as to be better able to pay than they are in the unsettled districts?—If the bulk of the people are meant, I should say not; it would, I think, be very dangerous to build upon any such conclusion. In proof of this I may appeal to Ireland; the progress of revenue has been very great in Ireland, and there is no portion perhaps of the British empire which has exhibited more rapid improvement in all the sources of wealth than Ireland; but I should not think it safe to infer from this that the population of Ireland has increased in felicity or in wealth, individually taken.

4069. Or in numbers?—In numbers greatly.

4070. You are aware that a very considerable increase of price, to the
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amount of fifty-three per cent. has been laid upon salt since 1793; do you consider that that is likely to have prevented smuggling?—Certainly not.

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4071. Has it not rather tended to promote smuggling?—Certainly; and when I alluded to the prevention of smuggling, I stated my opinion, that means had been found sufficient to counteract that, as well as all other inducements to smugglers.

4072. Are you aware that notwithstanding all the precautions that have been taken, an estimate has been formed by most experienced persons, that nearly one-third of the whole amount of salt now used in Bengal is smuggled?—What may be the amount I cannot say, my answer went to the degree; if one-third is now smuggled, I should say that more than one-half had been smuggled before.

4073. Do you recollect whether the reduction of the duty of salt made at Madras during the government of Mr. Elliot, had the effect of reducing the price to the consumers?—There has been considerable controversy upon that subject, and diversity of opinion, some persons holding that the dealers contrived by combination to keep up the price; that however has been disputed; and the truth probably is, that the dealers have been able to make an artificially high price in some places and unable to do so in others.

4074. Has the duty on salt that was taken off been laid on again?—It has.

4075. Has it or has it not had the effect of raising the price to the consumers in the interior?—It has been so recently imposed that we have no evidence upon that subject.

4076. You have stated that in general the revenue raised from opium in 1823 was collected from foreigners; was not the revenue raised in 1793 from opium equally collected from foreigners?—No doubt.

4077. It appears from the accounts laid before the Committee, that the expense of collecting the land revenue in Bengal, Behar and Orissa in 1827-28, was no more than 6.374 per cent. and in Benares 6.438 per cent. while in the ceded territories and from Oude in the same year it was 9.354 per cent., and in the conquered 10.614 per cent. Is this difference to be accounted for by the greater cheapness of collecting a fixed revenue under the perpetual settlement and the greater expensiveness of collecting a temporary one under periodical settlements, or is there any other mode of explaining it?—That circumstance is perfectly sufficient to account for it; a collection in detail, and a summary collection require very different degrees of expense, but when the facility and cheapness of collecting from the zemindars are adduced, there ought also to be taken into account, not only the original ten per cent. granted to them, bringing up the cost of collecting to sixteen per cent., but all the addition made by circumstances to the value of this tenth since the period of the settlement, making it in many instances equivalent to two tenths, and in some to three or four.

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4078. It appears from the same accounts that the expense of collecting the land revenue in the ancient possessions of Madras, a considerable part of which is under permanent settlements, was 10.201 per cent., while in Tanjore, under village settlements, it was 12.766 per cent. In the Ceded and Conquered Provinces of Mysore in the Carnatic, and in the provinces ceded by the Nizam, it was respectively as high as fifteen per cent. 531, seventeen per cent. 321, and seventeen per cent. 326. Does the disproportion in this case arise from a village settlement being necessarily more expensive than a permanent one, and a ryotwar more expensive than either, or is there any other mode of accounting for it?—The more any assessment is in detail, the more undoubtedly appears to be the expense of collection; but in whatever degree the collection on account of government may be summary, still the collection in detail must be performed, and they who perform it must be remunerated. If it is done by the head man of a village, there are allowances to him for his expenses; if by the zemindar there are the larger allowances I have previously mentioned. But there is another circumstance which it is necessary to take into account in drawing any conclusion from what stands in the accounts under the head of charges of collection, that in those charges are included a great many items, distinct from the mere cost of collection, various payments made immediately out of the collector's treasury, in fact, local expenses in general. I have in my hand a paper which exhibits a specimen of these charges. Under the Madras presidency in the year 1828-29 there was paid by the several collectors one lac 86,000 rupees for repairs of roads and bridges, and the building of bungalows; the whole of the charges of the judicial department, and the provincial police, amounting to twenty-five lacs 92,540; payments on account of interest; the ecclesiastical department and others, 80,000 rupees; advances to the military department to the amount of seventy-nine lacs and 80 000 rupees; marine payments 40,000 rupees; pensions and charitable allowances eight lacs 56,147.

4079. Do all those come under the head of charges?—They come under the head of charges where they are paid from the local collections.

4080. In the collection of a great amount of revenue, must not the difference in the resources between two districts, and the difference of the extent and density of the population, necessarily cause a great difference in the per-centage and the expense of collection?—Most certainly.

4081. In applying that consideration to the Bengal presidency, would not that of itself cause a very material difference in the expense of collection between the Lower Provinces and the Upper?—No doubt; and I should have proceeded, after my former observation relating to the various items included under the head of charges, to specify this with other circumstances, which tend to swell the amount of what appears the cost of collection. The whole of the expense of surveys, I imagine, is included.

4082. If that is the case, must not the whole of the accounts laid before the

the Committee be inaccurate?—There would only not be so perfect a separation of the various items as would enable you to judge with precision what is really the cost of collection, and what is not; but in being what they are, the accounts are not incorrect.

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4083. It appears from the same accounts, that in the year 1818-19, before the subsidy from the Peishwa was comprised in the land revenue of the ancient possessions of Bombay, and through which there is afterwards an apparent diminution of expense, the charges of collection amounted to 22.13 per cent. To what cause is it to be attributed that the land-tax in this part of India is so extravagant in the collection?—I have no doubt that very considerable items are included under this head, over and above the mere expense of collection; the charge, for example, of the very minute and expensive surveys that were carried on in various parts of the Bombay territory.

4084. Do not you conceive that the expense of management must necessarily be much greater in a wild and barren country, where the inhabitants are from the nature of the country not under complete subjection, while its revenues are much less than in a settled fertile province?—Certainly much greater; and there is also another remark of importance, which is, that in all detailed settlements the great cost is in the beginning, because the difficulty consists in ascertaining the value and extent of each man's possession.

Jovis, 25^o die Augusti, 1831.

JAMES MILL, Esq. again called in, and examined.

4085. UPON your last examination some questions were put with regard to the per-centage of expense of collection. There appear several discrepancies in that account, as compared with any calculation it appears possible to form upon that subject. Taking for example the charges of collection made on the gross revenue of Bengal, Behar, and Orissa, in the year 1827-28, supposing the whole of those charges were taken as a per-centage upon the revenue, the amount, according to a calculation which has been made, would be 17.20; supposing the mere charges of collection on the gross revenue were taken, deducting the other items which appear in the account of the Second Report, the charges are 5.33 per cent. instead of 6.374 as stated in that table. Will you have the goodness to explain in what way the Committee are to understand the tables which have been presented to them?—I am not conversant with those accounts, and cannot tell how they are to understand them.

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4086. What would you propose as the best mode by which the Committee can arrive at the knowledge of that?—I should think that the officer at the India House under whose superintendence the accounts are made, would be capable of giving all the information required, and of having the account made up upon any principle the Committee may direct.

4087. In the accounts laid before the Committee, it appears that the charges of collecting the land revenue in the ceded territories in the Nerbudda under temporary settlements in 1827-28, amounted to 15.106 decimals per cent. to what circumstance are you disposed to ascribe the weight of charge in this case?—I can only give a general answer to that question. What I stated in answer to a question put to me the last day I was here, contained in substance the account of a considerable portion of this charge. A country which had been the theatre of warlike operations, and recently under a very rude and oppressive government, could not fail to be in very disordered circumstances, requiring great minuteness of inquiry, and wherever great minuteness of inquiry is necessary, a corresponding expense is unavoidable. This remark is applicable to all those territories which have newly passed into our possession, and been received in circumstances requiring very minute inquiry; and there is another thing which deserves the greatest attention common to all, those cases in which a settlement very much in detail has been undertaken. The great expense of a settlement in detail applies to the commencement, and is only temporary. It is at the commencement of settlements in detail, and only at the commencement, that the laborious and minute, and consequently expensive inquiry which they occasion is necessary. When the capabilities and extent of the land in each village, and each man's possession are accurately ascertained, and also the amount which he has to pay, and when pottah's leases of a certain duration are granted, the causes of expense are removed, and the charge of collecting revenue under ryotwar settlements will then be small; it will hardly be necessary that there should be more expense under a settlement in detail than a zemindary settlement.

4088. When did those provinces come into our possession?—It was subsequently to the last Mahratta war.

4089. What is the settlement in those provinces?—It is a village settlement, but with minute inquiry into the circumstances of the ryots.

4090. Have leases in that case been granted in those villages?—I think that the same system of quinquennial leases obtain in those territories as in the Upper Provinces.

4091. In the same accounts, it appears that the charges of collecting the land revenue in the possessions ceded by and conquered from the Mahrattas, under the Bombay presidency, amounted in 1827-28 to 31.38 per cent., including stipends and pensions chargeable on the land revenue; to what do you ascribe the enormous weight of this charge; can you describe the nature of the pensions and stipends mentioned, and are any of them of the nature of malikhana, or other allowances paid to zemindars, deishmooks, deishpandies

deishpandies or village officers?—There can be no doubt that malikhana is included, and allowances to the descriptions of persons mentioned in the question, as well as others.

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4092. Will you state what malikhana is?—Malikhana is a per-centage on the revenue allowed to parties who appear to have been hereditary engagers with the government for the revenue, when they are deprived of the engagement. The ten per cent. which was allowed to the zemindars of Bengal, was of the nature of malikhana previous to the permanent settlement, when allowed them if temporarily deprived of the management of their zemindaries; and in the Upper Provinces, wherever a mocuddum or head of a village proves that he and his family have been in the habit of collecting the revenue for a certain length of time, in other words have enjoyed it as a species of hereditary office, he obtains (if he is put out of the office, or if on account of the weight of assessment he declines to engage, malikhana, which is such a per-centage on the collections as accords with the custom of the district, different in different places.

4093. Is malikhana allowed at the present moment in collecting the revenue?—The individuals engaged are supposed to be sufficiently paid in the terms of their engagements. Malikhana is an allowance to those who have a legal claim to hold the office when they do not hold it.

4094. To what cause is to be ascribed the progressive rise that has taken place in the collection of the land revenue in Bengal, Behar, Orissa, and Benares; and in respect to the first, is it in any manner to be attributed to the incorporation with them of the province of Cuttack?—There is no doubt that the province of Cuttack has contributed to the increase of the rate, because Cuttack has been settled pretty much in detail; and being a new country, in circumstances corresponding with those of other new countries, in much disorder, the same minuteness of inquiry was indispensable. Another source of the increase of expense in Bengal and Benares has been Regulation II, of 1819, which established rules for the resumption of rent-free lands, lands evading the government assessment without a valid title. The collectors, to carry those rules into effect, required additional establishments. In some cases expense has been increased by dividing a large collectorate into two; the judicial and police duties, recently assigned to collectors, have rendered additions to their establishments necessary, and in general there is more minuteness, and hence need of more assistance in the mode of performing the collector's duties.

4095. To what circumstances do you ascribe the progressive and striking increase which has taken place in the expense of the collection of the land revenue, under every mode of settlement within the Madras presidency since the year 1809-10, and more particularly since the year 1821-22?—I believe that a great proportion of this increase has arisen from a growing conviction, that the establishments were unequal to the duties which they had to perform. To afford that protection to the ryots, which cannot be
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afforded without accurate inquiry into the circumstances of each, and the state of his land, and without minute supervision of the different agents employed in that difficult work, an increase of agency was necessary.

4096. Do you conceive that that increase of agency has been attended with the effects that you have described as contemplated?—In some degree I have no doubt it has. The evidence is scattered through many volumes, and it requires years before the effects of new circumstances appear very distinctly, and before you can pronounce with certainty how much of real advantage has arisen from them.

4097. The increase appears in the ancient possessions to be from 4.235 decimals to 10.210 decimals. In the Carnatic it was from 6.872 to 17.321. In Tanjore it was from 5.572 to 12.766. In the Ceded and Conquered Provinces from 7.5 to 15.531. In the provinces ceded by the Nizam from 8.113 to 17.726?—Those differences are so great as to indicate different systems of management. The same remark in regard to increase of establishments caused by the minuteness of the inquiries, and the superintendence, made in reply to the former question, applies also to this.

4098. To what circumstances do you ascribe the progressive and vast increase which has taken place in the collection of the land revenue, under the presidency of Bombay, from 1809-10 to 1827-28?—My suspicion is, that the same items are not included in those two different accounts. A great difference has been occasioned by the circumstances I have already so often mentioned; the extensive and minute inquiries which have been carried on, and increase of establishments thence required. I suspect that in the cost of the latter years the expense of surveying is included.

4099. The accounts quoted in the question are taken from the same table, and made up at the same time, how can there therefore be that comparative difference?—I cannot account for it.

4100. How do you account for the rise that has taken place in the charges of collection of the customs for Bengal, Bahar, Orissa and Benares, from 10 and 13 per cent. in 1809-10 to 17 and 16 per cent. in 1827-28?—The general cause to be assigned is that increase of establishments which has been found necessary for the better conducting of the business; for the prevention of illicit trade and the evasions of the duty.

4101. How do you account for the rise which has taken place in the charge of collecting the customs, and the extraordinary fluctuations in those charges, which the accounts exhibit from 1809-10 to 1827-28 in the ceded territories in Oude, and, do you not consider a tax collected at a charge of 47 per cent. as in 1827-28, (implying that for every pound sterling taken out of the pockets of the people, no more than 14s. 7d. finds its way into the treasury) such a one as ought not to exist, either in India or any other country?—Of the particular causes of the increase I cannot give a minute account. I can only state such general considerations as I have stated before, with respect to the impropriety of any tax being collected at so great a charge.

a charge. It may be remarked in general, that although the cost of realizing any species of impost is a proper objection to it, and a reason for avoiding it if a better can be found, it must be obvious to every person who reflects upon the circumstances of India, that there is hardly any tax which can be raised at a small expense in such a country. The raising a revenue must always be costly in a country where the population is very poor, and spread over a great extent of country. When a great revenue is to be collected from a great extent of country in very minute sums, from a great number of people, it is perfectly obvious that a cheap collection is impossible.

4102. In the year 1814-15 it appears from the same Account that the charge of collection upon the customs in the Ceded Territory was only 11. Can you explain why there was that falling off in the charge of that year?—I think it is necessary, in order to know what are the fluctuations, to look at the series of years in continuation, because very often the apparent differences are only a matter of account. It often happens that the same items are not brought to account in one year which have been in the preceding; if there are debits or credits which cannot be brought to account in a particular month, they are transferred to the following year. The customs have been regularly progressive.

4103. While the charges of collecting the customs in Bengal have been for the most part greatly augmented, to what cause is it to be ascribed that they have been greatly reduced of late years under the Madras presidency; and is any part of this reduction, whether it be real or apparent, to be ascribed to the introduction of the farming system, as far as respects the land customs?—I believe that the apparent reduction is entirely owing to the system of farming; it is so ascribed by the Madras government, who had recourse to the farming system on account of the great expense of collecting by the officers of government.

4104. Are you aware of the effects that have been produced by the farming system, as compared with the other mode?—The period has not been long enough to afford complete evidence. The apprehension on the part of the home authorities was, that in the collection of those customs, there might be room for abuse and extortion on the part of the farmers, and instructions were addressed to the government, to make sure in the first instance that the payments were so definite, and the determination of them so clear, that every man upon whom an overcharge was made should be aware that he was overcharged. The Madras government have reported that such care has been taken, and that generally the system had given great satisfaction to the mercantile community, and the people generally; that so far from any complaint there had been declared satisfaction. So far we have evidence.

4105. When did the farming system first begin?—Some years ago.

4106. Do you not imagine that there is a considerable degree of extortion practised under that system?—That was the apprehension at home when the

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proposal was originally made, but the apprehension is found not to be well founded according to the testimony of the government at Madras.

4107. Previous to the year 1817-18 the charges of collecting the customs in the possessions ceded by the Guicowar ranged from 24 to 39 per cent., and being reduced in subsequent years only in consequence, as stated in the accounts, of the incorporation of certain subsidies paid by the Guicowar, to what is the enormous weight of charge in this case to be ascribed; and is not a tax collected at such an expense liable, and in a still higher degree, to the objections stated in regard to the customs in the ceded territory from Oude?—The degree in which this high charge exceeds the rate of other places must be accounted for from peculiar circumstances, which it would require a very minute inquiry to extract from the records; and I am not prepared to state them. I have no doubt that a very considerable portion of what is here mentioned as charge of collection, is not really charge of collection. The amount collected is not large, and it is one of the unhappy circumstances attending the collection of customs, both inland and sea, that you need the same amount of establishment, and pretty nearly the same cost for collecting a small revenue as for collecting a large; and wherever the return is not great a large per-centage of course is unavoidable.

4108. To what cause is to be ascribed the advance in the charge of collecting the revenue derived from the salt monopoly in Bengal from 10.195 per cent. in 1809-10 to 13.924 per cent. in 1827-28?—There have been large increase of establishments for the prevention of illicit traffic, and there have been in some cases increase in the cost of production, additional payments to the molungees, and an increasing expense of fuel.

4109. The charges of collecting the revenue derived from the salt monopoly under the Bengal presidency are stated for the year 1827-28 at 13.924 per cent., is not this charge erroneously calculated, by including the outlay on account of the prime cost of the salt, the mere instrument of taxation, among the receipts, and excluding it from the expenses, and with this correction is not the real expense 16.476 per cent.?—I doubt the correctness of the inference of 16.476 per cent., because I cannot understand how, if in the 13 per cent. 924 there is an item included that ought not to be included, and that is taken out, the taking out of an item should not decrease the amount. If the payments to the molungees are not included in the 13 per cent. and they are added, no doubt it will make a difference.

4110. In the year 1827-28 the charge of collecting the revenue derived from the salt monopoly in the ancient possessions under the Madras presidency was 19.196 per cent.; to what is to be ascribed the greater expensiveness of collecting this branch of revenue under the Madras than under the Bengal presidency?—The difference of system pursued in the two presidencies will account, I think, for the greater part of this difference. The Bengal salt is all collected in the government warehouses, either at Calcutta or in the neighbourhood of the manufactory, and brought to public sale at
twelve

twelve times in the year. The mode of disposing of it at Madras is to collect it in golahs (warehouses). It is carried to the government golahs in the different districts, and sold in retail at a fixed price from those golahs. Of course a larger establishment for so much detail is required.

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4111. How is the Madras presidency supplied with salt?—It is supplied with salt of their own making, the salt on the coast is chiefly made by solar evaporation.

4112. Is there not an import of salt from Madras into Bengal?—There is, and the home authorities have pressed strongly, for a series of years, upon the Bengal government, the expediency of taking a larger supply from Madras than they have been disposed to do; the Madras government thinking it would afford accommodation to the corn trade, supplies of rice being required for the Madras presidency from Bengal, and corn being frequently carried from Bengal to Madras, without a return cargo, which the salt would afford.

4113. Is not the salt more easily produced in Madras than in Bengal?—There is difference of opinion upon that subject; it is on one side alleged, that Madras can afford it cheaper than the Bengal government can make it: the Bengal government dispute this, and have urged a variety of reasons why their receiving a great part of their supply from Madras would not suit them; accordingly a very moderate portion of what they need has been obtained from Madras, and rather in an unfavourable manner, because the same quantity has not been demanded from year to year, and the Madras government has effected the supply in a less perfect manner than they otherwise would have done, from the suddenness of the calls, and not having regular preparation.

4114. Supposing there was no monopoly on the part of the government in salt, are you not of opinion, that the regular course of trade in India would be an export of salt from Madras to Bengal, and an import of rice into Madras from Bengal?—I believe that would be the case to a great extent.

4115. Supposing salt to be more easily produced under the Madras presidency than in Bengal, how happens it that the charge of collection should be greater under the Madras presidency than under the Bengal presidency?—From the circumstance I have mentioned, the greater charge of collection is the charge of retailing.

4116. Would it not be possible to adopt the same principle of sale under the Bengal presidency, that exists under the Madras presidency?—Not only would it be possible, but it has appeared to the home authorities an experiment which it would be desirable to make, instead of periodical sales, that the salt should be distributed from the government golahs at a fixed price in any quantity. At present the article being brought to public sale at twelve times in the year, and the merchants and opulent people in Calcutta being

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the principal buyers, and not very numerous, it has been apprehended that by laying their heads together they are able to establish a species of sub-monopoly in their own favour.

4117. Will that part of the correspondence which relates to the Madras and the Bengal salt appear in the additional revenue selections?—It will.

4118. Does not one of the great causes of the increased charge upon the collection of revenue upon salt in the Madras presidency, arise from the necessity of taking great means to prevent smuggling, on account of the formation of salt upon the rocks themselves?—No doubt; there is a more extensive line to protect, and one of the expedients which the Bengal government has had recourse to for decreasing the preventive cost, has been to confine the manufacture to a limited district; establishing a line of salt chokees around it, and allowing the article, after passing those chokees, to proceed in every direction without further inquiry.

4119. Beyond the limits you describe, is there not a positive destruction of the salt which forms by solar evaporation?—It is not allowed to be produced anywhere but on account of government.

4120. What would you think of admitting salt from all countries into all parts of India, paying a customs duty, and imposing an excise duty on the salt of local production as a finance measure?—That system has been recently adopted at Bombay; government have ceased to manufacture salt on their own account, and the mode of collecting the revenue is by an excise duty upon what is delivered from those manufactories, and an equivalent duty upon what is imported.

4121. Between the years 1809-10 and 1827-28, the charge of collecting the salt revenue in the provinces ceded by and conquered from Mysore, are on the average of the whole nineteen years 38.451 per cent. Is not a tax which for every pound sterling taken out of the pockets of the people, yields to the treasury but 12s. 4d., an impolitic and pernicious impost; and does not a fall in the value amount of the sales from £65,509 in 1810-11, to £46,139 in 1827-28, or a decrease of 29.263 per cent., further corroborate this view of it?—As those are districts in the interior, at a distance from the place of manufacture, the cost is increased, and the charge is great in proportion to the return, on account of the smallness of the quantity sold, on the same principle that the profits of a retail shop in a small town are high.

4122. One part of the question relates to the falling off of the salt revenue in that district, from £65,509 in 1810-11, to £46,139 in 1827-28; can you explain the cause of that decline?—For a particular statement I must refer to the correspondence; my memory does not retain the details.

4123. It appears that the revenue derived from salt at Bombay in the year 1827-28 was £19,936; what was the amount of charge on this branch of the public resources?—It does not appear, and I cannot answer the question.

4124. Was

4124. Was not there a monopoly trade in Bombay at the same period?— 25 Aug. 1831.
The system at Bombay has not till lately been uniform; monopoly in a
certain sense of the word existed, but private manufacture and importation
were allowed under a duty, while government was the principal manufacturer.
It has now abandoned the system of manufacturing, and has adopted the
system of duties. *J. Mill, Esq.*

4125. When was that adopted?—Within a few years.

4126. Are you able to speak of the effects of that in a financial point of
view?—I am not.

4127. From whence do they chiefly import the salt into Bombay?—They
import it from Madras.

4128. Does Bengal salt go there?—I believe never.

4129. You were understood to state that you believe that the whole salt
imported into Bombay from any other part of India came from Madras, and
none from Bengal; does not that arise from the superior quality of the salt
manufactured at Madras over that manufactured at Bombay?—From
cheapness.

4130. Would not the permitting the import of salt from Madras into the
Bengal presidency greatly increase the commercial intercourse between
Bengal and Madras, and lower the price of grain to the people of Madras,
and the price of salt to the people of Bengal?—I think those consequences
in some degree would ensue from it.

4131. It appears that the charges of collecting the revenue under the
opium monopoly in Bengal in 1809-10 were 3.796 per cent., in 1825-26
10.365 per cent, and in 1827-28, 4.940 per cent., will you explain the
causes of increase and fluctuation of these charges?—The intermediate
year here stated appears a very extraordinary year. I have no doubt that it
can be very satisfactorily accounted for from the records why the cost was
ten per cent. in this year, and only from four to five per cent. in the other
years.

4132. Do you recollect whether it was that year in which there was bad
opium exported to China, and afterwards a great sum was repaid to the
buyers?—There was one year in which the opium delivered at Calcutta
proved of inferior quality, and large repayments were made to the merchants
in consequence of their losses. If this be the same year, as is very probable,
it fully accounts for the difference of charge.

4133. The charge of collecting the opium revenue for the year 1827-28 is
reckoned in the public accounts, 4.940 per cent., deducting the advances to
manufacturers for the prime cost of the opium, both from the receipts and
charges; are not the actual charges of collection very nearly thirteen per
cent., can you state in what manner the charge is estimated so low as
4.940 per cent.?—If the cost of production is added to 4.940 per
cent., and raises the whole cost to thirteen per cent., I should say that the
cost

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cost of collection remains unchanged. The cost of collection plus the cost of production makes up the thirteen per cent.

4134. Would you not think it a better mode of estimating this to deduct on both sides the receipts and charges?—In making up the accounts all items I think ought to be kept as distinct from one another as they can be.

4135. Are you aware of an agreement made with the French government upon the subject of opium, so as to induce them not to interfere with the government monopoly upon that subject?—A certain quantity is given to them at a certain price, and also to the Danish government.

4136. Does not the same apply to the question of salt?—The same applies to the salt.

4137. Is that with a view of inducing them to withhold the manufacture of salt, and thereby not interfere with the government?—It is an arrangement for making it their interest to take their supply from us.

4138. What are the charges per cent. of collecting the whole revenues of Bengal, Madras, and Bombay respectively, and what are the charges per cent. of collecting the whole revenue of India as far as the same can be ascertained?—The answer to this question will appear by the accounts; I have not had the particulars extracted.

4139. It appears from the accounts laid before this Committee that the revenue derived from the tobacco monopoly in the territories ceded by and conquered from Mysore amounted in 1827-28 to £85,482, and the charges to £31,843, or 37½ per cent. Is not a monopoly which for every pound sterling taken from the people yields but 12s. 6d. to the treasury, and of which the operation is not general, but partial, and confined to a few districts only, obviously impolitic as a source of taxation?—There has been considerable controversy and difference of opinion upon the subject of the tobacco monopoly, which applies only to two provinces, Coimbatore and Malabar; the article is chiefly grown in Coimbatore and consumed in Malabar. It has been more than once declared by the home authorities that this was by no means a desirable tax, and that the alleged evils attaching to it ought to be minutely inquired into. The Madras government themselves have stated that nothing but the pressure they find upon their finances, and their inability to give up any source of revenue which they at present possess, hindered them from putting an end to this monopoly.

4140. Does it not occupy a very considerable portion of the time of the collectors to regulate the details of that monopoly?—I cannot state the particulars. The gentleman who was collector in Coimbatore for a number of years is on the spot, and can answer this question much better than I can.

4141. Are you aware that it is stated in the report of the commissioners in Coimbatore, contained in the revenue and judicial selections, that the tobacco monopoly occupied more of the time of the collector than all the other branches of revenue, and that he was forced to exercise his attention and vigilance

vigilance from the plough up to the wharf?—I have no doubt that there is a great deal of detail and a great deal of difficulty. To prevent smuggling in an article raised to an artificially high price, and which may be grown over an extensive country and carried in every direction, must be a work of great difficulty.

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4142. Are you aware that the commissioners in Coimbatore urged, as an argument for the overthrow of the existing system of the tobacco monopoly, that it could not be continued without serious injury to the inhabitants, nor without corrupting every servant employed in the monopoly, and introducing fraud into every other branch of the revenue; and what modifications of the monopoly, if any, have been made in consequence of this recommendation?—There is exaggeration in that; but this also is a question which Mr. Sullivan can answer better than any body else. The instructions to him have been to introduce every possible improvement in the mode of collecting it; he recommended, I think, a transit duty; his opinion was controverted by the collector of Malabar, and under this conflict of opinions the business has remained pretty much unaltered.

4143. Is there not a regulation of the Bengal and Madras government, which is confirmed by an express statute, and which provides, that all rules and orders respecting the imposition of taxes should be framed into regulations or laws and duly reported, and that the courts of justice are to be guided in their proceedings and decisions by such regulations and by no other?—I have no doubt there is such a clause, and I believe that it is very strictly complied with.

4144. Do you conceive that it is complied with in those cases in which the temporary and periodical settlements of the land revenue are made by the collectors?—I believe completely so.

4145. Do they however form any part of the regulations?—They form part of the regulations undoubtedly, that is the general rules under which they are conducted.

4146. Are there to be found any regulations and rules for the management of these temporary and periodical settlements, which are in conformity with the Act of Parliament?—Certainly.

4147. Are you not aware that in the year 1811 the authorities at home interfered to prevent a permanent settlement of the land revenue in India, which was a measure contemplated and counselled by the authorities in India?—It has never been particularly recommended in any other way than in that of opinion by any of the Bengal authorities. At the period when the permanent settlement of the Upper Provinces was contemplated by the Bengal government, who had announced their intention to the superior authorities at home, they received a strong representation from the commissioners in those provinces, pointing out the inexpediency of proceeding to make a permanent settlement at a time when our want of knowledge of the country

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country, and above all our want of knowledge of the tenures and rights of the ryots, exposed us to the danger of incurring the same evils which had been already experienced in Bengal, in consequence of our proceeding to make a permanent settlement without a sufficient knowledge of circumstances. In consequence of this representation, the Bengal government themselves came to the conclusion that more time was required for inquiry, and the authorities at home went no further than to forbid the making of any settlements in perpetuity without their permission previously obtained.

4148. Did not that take place twenty-three years ago?—It is many years ago.

4149. Has anything been done since that period towards the establishment of a permanent settlement?—Nothing has been done towards the establishment of a permanent settlement, unless it be ordering very extensive and minute inquiries.

4150. Were those inquiries with a view to that?—On the part of the Bengal government they were with a view to it, because they held it in contemplation. On the part of the authorities at home, there has been no encouragement to believe that a permanent settlement would ever be made in those provinces.

4151. You have stated, in a former examination, that you did not consider the 39th section of the Act of 1784 as having any reference to the permanent settlement of the land revenue of Bengal. Are you not aware that in the instructions of the Court of Directors to the Governor-General ordering that settlement to be carried into effect, they cited the section in question, acknowledged that they were explicitly commanded to comply with its provisions, and stated that they desired the Indian government, in all measures adopted in the administration of the revenues, to pay the most minute and scrupulous attention to the Act of Parliament, both in sense and spirit?—My opinion on the construction of an Act of Parliament cannot be of much importance, and that opinion was delivered after having heard the clause read once, without any particular recollection of the Act; but I still believe I was right in my construction, that it had reference to nothing but the particular object then under contemplation, a permanent settlement in the Bengal provinces, which no doubt had the authority of an Act of Parliament, and was effected in full conformity with its terms.

4152. Do you not conceive that the permanent settlement which was made by Lord Cornwallis, was in pursuance of the Act of Parliament?—It appears to have been referred to by the Court of Directors in their instructions to the government, respecting the permanent settlement; but I should not say that the permanent settlement originated in the commands of the Parliament.

4153. Are you not aware, that in the same instructions the Court of Directors, with a view, as they stated, of carrying the commands of the legislature

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lature into effect, directed the government of Bengal to settle the permanent revenue, either in perpetuity, or for a long term of years?—That the Court of Directors so directed the settlement to be made, is not doubtful.

4154. Are you aware, that in a subsequent dispatch, the Court of Directors bestowed their hearty approbation upon the perpetual settlement, giving it a preference to long leases, and stating the obvious disadvantages of the latter?—The opinion of the Court of Directors of that time was, that the settlement in perpetuity was preferable.

4155. Are you not aware that promises have been made to several parts of India of a permanent settlement being established in them, that settlement not existing there at this moment, and those promises not having been carried into effect?—I believe that such promises were made, and unfortunately made.

4156. By whom were such promises made?—They were made explicitly by the Bengal government, and implicitly at least by the authorities at home.

4157. Do you remember any year in which they were explicitly made?—Shortly after the Upper Provinces came into our possession, when they were, I believe, still under a lieutenant-governor.

4158. Has not very considerable dissatisfaction been felt and expressed by the natives of the ceded and conquered provinces of Bengal, at the non-performance of the promises thus made to them?—As to the degree and kind of the dissatisfaction, the evidence appears to me to be exceedingly doubtful; there is no distinct evidence of dissatisfaction among the body of the people; there is evidence of dissatisfaction in various parts from over-assessment.

4159. Were not the peremptory directions on the part of the Directors not to proceed to form a permanent settlement in those provinces in the year 1811?—There may have been directions so early; they have been repeated again and again.

4160. Was there not a project entertained by the Indian government at home of granting leases for fifteen years in the subsequent year to the period mentioned, namely, 1812?—I have no recollection of it; that latterly the Bengal government has been instructed that the authorities at home would be ready to grant leases of a greater duration, I have already stated.

4161. Has not a difficulty been found in granting leases in perpetuity in consequence of not being able to decide who really were the proprietors of the land?—The whole of the reasons against proceeding to a permanent settlement, of which that is one, are numerous; they have been stated frequently; they are to be found in the records, and may be easily repeated.

4162. You have stated that orders have been sent out recently to all parts of India, except those parts subject to the permanent settlement, for granting leases of thirty years; what was the date of that order?—I cannot state particular dates; they are various, and will be obtained by reference to the records. In the third volume of the printed Selections, at page 443, there is

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an order of that kind in a despatch dated the 10th of November 1824, in the following terms: "Should you succeed in securing to the ryots those rights which it was assuredly the intention of the permanent settlement arrangements to preserve and maintain, and should you, in all cases where the nature and extent of those rights cannot now be satisfactorily ascertained and fixed, provide such a limit to the demand upon the ryots as fully to leave to them the cultivators' profits under leases of considerable length, we should hope that the interests of that great body of the agricultural community may be satisfactorily secured." Here is another passage at page 465, in a letter of the 18th of February 1824: "In following the instructions which we have communicated to you for retaining in the hands of the government the property of such lands, even in the Lower Provinces, as may be acquired by government, you are to understand that we are favourable to leases for a term of years, more especially leases for years to the ryots, each for his separate possession."

4163. If those orders were sent out in 1824, ought they not to have been acted upon previously to this period?—No doubt they ought to have been acted upon, and in many cases they have been acted upon.

4164. Are there accounts of any instances in which they have been acted upon?—Various instances may be traced if the volumes in which they are recorded were explored; but the time and mode of carrying such orders into effect are always left to the authorities on the spot, because it is impossible here to foresee the difficulties which in particular instances may stand in the way.

4165. Are you aware whether the orders have been carried into effect in any district in India?—Not in any entire district.

4166. With respect to the promise given to the ceded and conquered provinces of Bengal, of the permanent settlement, was there not a law passed by the Governor-general, and registered, containing the same pledge, and without reference to the authority of the Court of Directors?—The question, I suppose, has reference to some more or less distinct expression of a pledge in some regulation which I do not bear in mind. The language of the government was certainly that of a promise.

4167. It appears that Regulation X, of 1807, is a regulation for the conclusion of the ensuing settlement in the Ceded and Conquered Provinces, passed by the Governor-general and Council on the 11th of June 1807. In section five of that Regulation it is stated, "The Governor-general in Council, however, hereby notifies to the zemindars and other actual proprietors of land in the Ceded and Conquered Provinces, that the jumma which may be assessed on their estates in the last year of the settlement immediately ensuing the present settlement, shall remain fixed for ever, in case the zemindars shall now be pleased to engage for the payment of the public revenue on those terms in perpetuity, and the arrangements shall receive the sanction of

of the Honourable the Court of Directors?"—There is here the reservation of the approbation of the Court of Directors. 25 Aug. 1831.

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4168. If regulations of that nature have been passed in India, in what way have those regulations been rescinded?—This regulation, in substance, has not been rescinded.

4169. Was it not rescinded in 1812?—The different imports of the word must be attended to. A law may be said to be rescinded, when the whole of its provisions are only to be enacted in another form. A regulation passed for a temporary settlement, is of course rescinded when the period for which the settlement was made is expired; but another regulation is framed, containing all the provisions of the old one which the present occasion requires.

4170. Does it not appear that the regulation that has been read was not for a temporary but for a fixed and permanent settlement?—There is no regulation for a fixed and permanent settlement, it is merely a promise that the jumma then to be made would be made permanent, if the Court of Directors complied.

4171. In the year 1812, Regulation IX, section 7, contains this provision, "Such part of section 5, Regulation X, of the year 1807, as declares provisionally that the jumma which may be assessed on the estates of the zemindars, and other actual proprietors of land in the Ceded Provinces, shall remain fixed for ever, is hereby rescinded?"—What was rescinded in this case is nothing but the conditional promise; rescinded because the condition was withheld.

4172. Did not the Governor-general of Bengal state that his regulation with respect to permanent settlement was rescinded in express obedience to the orders of the Court of Directors, and with great reluctance?—That it was rescinded with great reluctance is very likely, but that it was a regulation is clearly not the matter of fact. It was only a promise contingent upon the assent of the authorities at home. It was a promise placed in a regulation; and an extraordinary thing it certainly was to enact a promise.

4173. Is it not recognized in the year 1812 as a regulation?—There is no question about the regulation of 1807, it had the name of a regulation, certainly; my negation is, that there was any enactment rendering the jumma perpetual. This could be no law, because it remained subject to the approbation of the authorities at home.

4174. Was not the first regulation that applies to that made in 1803, and was not it made by Lord Wellesley without any provision for the approbation of the authorities at home?—That I am not aware of.

4175. Was there not another regulation for the Conquered Provinces in 1805?—I am not aware of a regulation then to make a settlement in perpetuity.

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4176. Do you know how the pledge was conveyed by the Lieutenant-governor to those provinces, at that period?—By a proclamation, I believe.

4177. Supposing it were the policy to establish a permanent settlement in those parts of India, where it does not at the present moment prevail, might not that permanent settlement as easily be made in the ryotwar system, and in the village system, as where the zemindary system exists?—There is no doubt that the payments of the ryots might be rendered permanent.

4178. Do you not conceive, supposing a permanent settlement to be established where the ryotwar system exists, and supposing the rate of assessment upon the ryot were moderate, that much greater advantage would accrue to the country than by making a permanent settlement through the medium of the zemindars?—If a permanent settlement is to be made, I should think it preferable to make it with the ryots.

4179. Do you see any difficulty in making a permanent settlement where the village system prevails?—I should consider a permanent settlement with the head of the village, if made without fixing with equal precision the payment of the ryots, providing that nothing more than a rent should be demanded, as a sacrificing of the interests and rights of the ryots, in the same manner as they have been sacrificed in Bengal.

4180. Do you not conceive that provision might easily be made for preserving the rights of the ryots in such cases?—I believe that provision might be made, not easily, because we find it very difficult to make a correct ryotwar settlement.

4181. You have proposed that, in case of a village settlement, an estimate should be formed, and should be publicly promulgated, by which the rights of all individuals shall be established and fixed?—The expedient which I mentioned on a former day was, that the head man of the village should be called upon to give an account to the collector of the mode in which he means that the revenue of the village should be distributed; that this statement should be fixed up in the village, for every contributor to have an opportunity of making his remarks upon it, and stating his objections. Security for the ryots has been provided in the Deccan by the collector himself, who in making settlements with the village, and leaving the collection to be made by the head man of the village, made a separate settlement with each ryot, and gave him a pottah.

4182. If that has been done under the present circumstances, what would prevent the same practice prevailing in the settlement of a permanent assessment?—The thing undoubtedly might be done.

4183. Do you not conceive, that supposing a permanent settlement of the land revenue in India were effected by our government, that a very considerable security would thereby result to the government?—I do not see in what way the security of the government would be increased by it.

4184. If certain fixed rights were established, depending upon the good
faith

faith of the government, would there not be a natural apprehension in the mind of the individuals possessed of those rights, that if a new government were established, or if India were conquered by any adverse power, those rights would not be preserved as they have been by the government who granted them?—I believe that, with the establishment of rights which now exists, the security in question exists. When we are enabled to make the assessment on correct principles, and to render the payments permanent for the period of a reasonable lease, I believe in that case that there will be a perfect notion of fixed rights on the part of the agricultural population of India. There will be a difference, to be sure, in the value of the possession to the ryots, if you allow them to become proprietors of portions of the rent, but I should consider that an impolitic proceeding, because so long as the rent of land is not more than adequate to the expenses of the state, whatever portion of the rent of land you permit the ryot to retain, in the same proportion you must have other taxes to supply the deficit, and I know no other taxes that would not be more oppressive, more felt by the people, than the payment of a rent from land.

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4185. Supposing the wealth of the country to increase, might it not bear a much larger amount of taxation derived from other sources, without that increased burthen upon the people?—If the riches of the country increased, there is no doubt that the country might bear a greater taxation without feeling a greater degree of burthen. That is to say, if the people increased in wealth individually.

4186. Was not the argument which has been now mentioned relating to the greater security of the government, an argument put prominently forward by Lord Cornwallis, at the time he made the permanent settlement?—Very likely it was so; but I believe it was a miscalculation.

4187. Do you not conceive that the people of India, generally speaking, are a timid race, and easily allow themselves to be subject to the extortion of persons in authority?—Certainly, to a very great degree.

4188. Should you not say that, under such circumstances, the limitation of the land revenue in perpetuity, taking into account their character, would be attended with greater advantage to that country than where there existed a stronger repulsion to acts of authority on the part of the government at home?—There can be no doubt that if you raise the revenue in a less vexatious and perplexing manner, you confer a great favour upon those from whom it is derived, because the vexation that attends the raising of a revenue is one material item of the burthen which the people bear. There can also be no doubt that rendering permanent at a moderate rate the payments of the ryots, would be a boon to those individual ryots; but inasmuch as it would be an alienation of a portion of the resources of the state in favour of this particular class of people, the consequence must be a taxation of all the rest of the community for their benefit; and I think no one portion of the people should be enriched at the expense of another.

4189. Supposing

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4189. Supposing the land revenue to be permanently fixed, do you not conceive that it would be possible to employ natives in the collection of that revenue to a much greater extent than you can do where the land assessment is subject to perpetual variation?—No doubt; the moment you render the payment due from each ryot definite, whether defined for perpetuity or defined for a certain number of years, and the moment you also render the administration of justice so perfect that each ryot when he sustains an injury can obtain redress, you may collect the revenue in any manner you please, however summary; you may farm a whole province with perfect safety to one man.

4190. Would not the revenue, under those circumstances, be collected at much less cost than it is at the present moment?—With respect to the summariness I am not aware that the expense would be considerably diminished. It would undoubtedly be apparently diminished, because the cost that would immediately come out of the government resources would appear to be less; but a remuneration must be left to the farmer for all the trouble he is at in collecting the revenue.

4191. Supposing the revenue to continue the same, would not the charges be much less?—The charges would be much less, if justice were more perfect. I consider that a great part of the charge to which government now goes in maintaining collectors establishments, is chiefly for the purpose of protecting the ryot, of seeing that the ryot sustains no wrong, while the administration of justice is yet too feeble to afford him the protection he requires. A great proportion of the expense of collecting the revenue arises from an anxiety to enable the collector to afford the protection to the ryot, which the judicial establishment is inadequate to afford.

4192. Supposing the same number of officers to be employed in the collection of the revenue, and that they were under native superintendents in one case, and under European in the other, would not the salaries paid to the native superintendents be considerably less than those which are paid to European superintendents?—Greatly less.

4193. Would not a considerable advantage accrue to the natives of India by the introduction of a system whereby natives and not Europeans might be largely employed in the collection of the revenue?—The great advantage I should contemplate would be the cheapness. If the payments of the ryots were accurately defined, and there were an administration of justice sufficiently perfect to afford redress to the ryot for every grievance, you might then employ, without danger, the greatest rogues in the world in collecting the revenue.

4194. Would not the people of India derive very considerable benefit from natives being employed in the collection of the revenue, where Europeans are at the present moment employed?—An opinion is very generally entertained, but in which I confess I do not participate, that it would be good for the natives of India to be more largely employed in the business of the government

government than they now are. It appears to me that the great concern of the people of India is, that the business of government should be well and cheaply performed, but that it is of little or no consequence to them who are the people that perform it. The idea generally entertained is, that you would elevate the people of India by giving them a greater share in their own government; but I think that to encourage any people in a train of believing that the grand source of elevation is in being an *employé* of government, is anything but desirable. The right thing, in my opinion, is to teach people to look for their elevation to their own resources, their industry and economy. Let the means of accumulation be afforded to our Indian subjects; let them grow rich as cultivators, merchants, manufacturers, and not accustom themselves to look for wealth and dignity to successful intriguing for places under government, the benefit from which, whatever it may be, can never extend beyond a very insignificant portion of the whole population.

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4195. Do you not conceive that the exclusion of the natives from the higher branches of the revenue employment is looked upon by them, and is, in point of fact, a stigma upon them?—I do not believe that they look upon it in that light.

4196. Do you know any country in which it would not be so considered?—I should point to India as a country in which it is not so considered.

4197. Supposing, for example, Englishmen alone were employed in the higher branches of employment in Ireland, do you not conceive that the Irish would consider it a stigma upon them?—I consider that the feeling of degradation, from being governed by foreigners, is a feeling altogether European. I believe it has little or no existence in any part of Asia.

4198. Do you not think that, by the greater employment of the natives of India in the higher branches of employment, the character of the natives would be ameliorated?—I should think that such employment would have little effect in that way. The thing of importance, in order to elevate the character of any people, is to protect them. Elevation is the natural state of a man who has nothing to fear; and the best riches are the effects of man's own industry; effects which never fail when the protection is good.

4199. Have you ever been in India?—I have not.

4200. And you can only speak from what you have read and heard?—Yes.

4201. Are you aware that petitions have been sent home by the natives of India, most numerous and respectably signed, complaining in the strongest terms of their exclusion from the civil, judicial, and financial departments of government?—I am perfectly aware of such petitions having been sent home, but I am far from supposing that those petitions speak the general language of the country.

4202. What reason have you to think so?—I can only speak generally, because my reason is an inference from all I know, from all I have heard, and all I have read about the people.

4203. Is

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4203. Is the correspondence you have read native correspondence?—Not native correspondence.

4204. Do you allude to the correspondence of the Company's servants in India exclusively?—Not exclusively.

4205. You have not seen anything stated by the natives themselves upon that subject?—Not any thing written by themselves upon that subject.

4206. Are the petitions that have been referred to from the presidencies or from the provinces?—From the presidencies, I believe, exclusively.

4207. Do you conceive that it is possible for any person to form an adequate judgment of the character of a people without being personally acquainted with them?—If the question refers to myself, I am far from pretending to a perfect knowledge of the character of the people of India.

4208. Do you conceive that the 8th article of the 7th clause of the Regulations of 1793, by which a pledge was made by the Governor-general in Council to enact such regulations as he may think necessary for the general protection of the inferior departments, and other cultivators of the soil, has been redeemed or not in the countries where the permanent settlement has been introduced?—It has not been redeemed; it has been frequently violated.

4209. Do you conceive that the circumstances of Bengal, where the permanent settlement was introduced, are at the present moment such as to warrant the government to resort to acts that would redeem that pledge given on the introduction of the regulation?—I fear the change of circumstances is such as would put great difficulties in the way, because there have been such fluctuations, that it would be difficult to know who were the ryots in occupancy at the time of the permanent settlement.

4210. Do you conceive that a fair adjustment of the rights and claims of the ryots and zemindars, in countries where the settlement has been introduced, might be made without infringing the principles of the settlement of 1793, and that government would be justified in entering upon that adjustment of their claims?—Certainly.

4211. Are you aware that in lands included in zemindaries recently recovered from jungle waste, the government have actually interfered to fix the demands in many of the zemindaries on the ryots?—In certain cases, in which they have compromised a doubtful question between the rights of the government and the rights of the zemindars, they have commenced by settling the demand upon the ryot.

4212. Do you recollect whether the amount settled is, that where government had a right to eight annas from the zemindar, the zemindar had no right to collect more than twelve annas from the cultivator?—This is a common proportion.

4213. Will not the consequence of this probably be that neighbouring zemindars

zemindars who possess no waste lands will have their cultivators desirous to go to waste lands, where they have such superior encouragement, and will not the consequence of that, where it occurs, be to put many of the best lands out of cultivation?—That is an occurrence frequent in every part of India.

4214. Are you aware that the ryots in Bengal who possess lands at those money assessments under the late regulations, are represented by the recent despatches to be in a prosperous condition, where their settlements have been fixed?—Yes.

4215. Are you aware that in the Regulations of 1793, no other proprietors or holders of land or possessors of rights under the zemindars were noticed, except talookdars, tenants, under-tenants, ryots, and other cultivators?—Those are the terms made use of.

4216. Do not you think that when those regulations were introduced with those general terms, the actual occupants of villages and lands subordinate to the zemindars had in those countries actually the same rights and properties that are usually common to such classes of persons throughout different parts of India?—It appears to me that it is implied in the terms, and I have no doubt that such is the fact.

4217. Do not you conceive that in India, as elsewhere, a prosperous tenantry can alone make a prosperous lord of the soil?—I believe so.

4218. Are you not of opinion that the destruction of the rights of the subordinate holders of land by the general Regulations of 1793, before we had minute information upon the subject, namely, the rights of village communities, of khoodkhist ryots, and others, was one great cause of those internal disorders, and that gang-robbery, which went subsequently to so great an extent, especially in the years 1808, 1809, and 1810?—I believe so; and also of the great absence of prosperity among the ryots of Bengal at the present moment.

4219. You were asked whether the per-centage upon the collection of land revenues of the possessions ceded by the Mahrattas included stipends and pensions as charges upon the revenue; have you referred at all to the Appendix that was laid before the Committee?—I have not.

4220. In page * under land revenue charges, you will find stipends and charges charged in that column, and in the year 1827-28 you will find they amount to £312,545, will not that make a great alteration with regard to the amount of per-centage in the expense of collecting the revenue?—Most certainly.

4221. Are you aware whether, in the charges against the salt revenue upon the opposite side, there is not a deduction made of the advances made to the manufacturer before the revenue is put down?—From my recollection I should say, that the gross amount of revenue, that is, the whole of the returns from the sales, is put on the one side, and the gross charges,

4 K

including

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including everything, cost of production, with all intermediate expenses, on the other.

4222. Upon the side of charges there is £497,845 placed as advances to manufacturers; do you suppose that that is deducted before they put down what is on the opposite side, £2,382,277, or is it merely the gross amount?—I believe in both statements the gross amount. On the one side there is the whole of the receipts from the sales, and on the other the charges, advance to the manufacturers, and all other charges.

4223. You were asked as to the expense of collection in the ceded provinces in Oude. In the last year, 1827-28, it was stated that it had risen to twenty-seven per cent. upon the collection of the customs. Upon turning to page * does it not appear to you that the customs, from some cause, have been very much reduced during the latter period?—There appears from those statements to be a great reduction.

4224. May not that account for the apparent increase of per-centage upon the collection?—Undoubtedly.

4225. Upon a former day you were asked your opinion as to the best mode of improving the country, whether by a zemindary settlement or a ryotwarry, and your answer appeared to express an opinion that you considered it an evil that the ryot should become a man of property; was that the intention of your answer?—Certainly not; it is by no means an evil that the ryot should become rich, and by no means an evil that he should become a landed proprietor. My objection applies solely to the rendering of any man a proprietor at the expense of the state, alienating a portion of the public revenue in order to render him rich. That he should become rich is a most desirable thing, and as many of them as possible.

4226. Have you not stated that in the ryotwar settlements it is distinctly understood that there shall be a maximum although not a minimum fixed?—That was the principle of Sir Thomas Munro's settlement. It appears to me to be by no means a necessary part of the principle of a settlement in detail, though it was of Sir Thomas Munro's.

4227. If there is a maximum fixed, does not that become nearly a permanent settlement with the ryot?—It is sure to become in time a permanent settlement; because the rent of land will increase with the progress of population.

4228. Supposing the permanent maximum to be so high, as that it is impossible to be paid in any part of the country, would not it in point of fact become a dead letter?—The truth is, that the maximum is so high, and the remissions so frequent, that in practice the settlement is annual.

Veneris,

Veneris, 26^o die Augusti, 1831.

ALEXANDER SINCLAIR, Esq. called in, and examined.

4229. You were for some years in India?—I was ten years there altogether, at two periods. 26 Aug. 1831.

4230. Will you state what situations you held in India, and in what parts of the country?—I went there in 1813. I was on the Madras establishment; and from the end of 1817 till the beginning of 1820 I was register of the court of Cuddapah in the Ceded Districts. I then came home, owing to bad health, and returned in 1823, when, after being a short time an assistant to the secretary in the board of revenue, I acted as sub-collector of Ramnad for about six weeks. I was then three years in Tanjore as sub-collector, the last three months of which I was in charge of the whole province; and I came home again, sailing in April 1827. A. Sinclair, Esq.

4231. You left India on account of your health?—Yes.

4232. It appears that your name is mentioned in the course of the evidence of a witness before the Committee, Mr. Peter Gordon; have you seen that gentleman's evidence?—Yes, I have.

4233. Are there any points of that evidence on which you wish to make any observations to the Committee?—There are a few points on which I conceive that an erroneous impression requires to be removed; for instance, from the answer to Question 525 it may be supposed that I was one of those in the Company's service who were not acquainted with the native languages. I think, in justice to myself, I may say that while I was in the Ceded Districts I transacted business without an interpreter in the Telooogo language; and that when I went to the southern districts I transacted business all the time I was there in the Tamul language; in both cases the language of the country. I conversed with the natives, examined evidence, took petitions myself from them; indeed, I wrote a Malabar letter, the day after I arrived, to the head tehsildar of Ramnad. In answer to Questions 545-6-7-8-9, there is some allusion to the state of the people. In Mr. Gordon's evidence there is so much mixture regarding Tanjore, and Ramnad, and Madura, that it is very difficult to say exactly to what district it applies; in some cases it may be conceived to apply to both districts, when it applies only to one. Though I know little of the state of the people of Madura or Ramnad, having been only there for about six weeks, yet while I was in Tanjore I became very well acquainted with the state of the people there, and I do not think that they are in anything like so wretched a state as he describes them; at

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least I wish to say that, as far as Tanjore is concerned, the people are not in so unfavourable a situation. In answer to Questions 557 and 8, regarding irrigation, I cannot subscribe to the opinions expressed, particularly as relates to Tanjore. In Answers 805 and 6 there are also assertions respecting the works for the purpose of irrigation, to which I cannot assent. One of the greatest works for irrigation perhaps in the world is the Annicut; it was not built by the Company, but it exists there; and the Company have built in Tanjore, in various parts, sluices and aqueducts of very great importance, and have materially improved the irrigation.

4234. Is the date of that work ancient?—It is ancient; and it is chiefly owing to the Annicut that Tanjore is so fertile. Then, in answer to Question 564, with respect to the dry land being of no value, I can speak to that point with regard to Ramnad as well as Tanjore, that it is of very considerable value. For the year during which I was connected with Ramnad, very nearly half the land revenue was derived from the dry land; but that being a season of scarcity, the revenue from the wet land had very much decreased. But from the accounts in my possession it can be proved that the dry land is of great value both in Tanjore and in Ramnad.

4235. Does not Mr. Peter Gordon's evidence, in the answer to Question 564, relate to the province of Tanjore only?—It does; but as Tanjore is so much more fertile than Ramnad, and as in Tanjore the dry land is stated to be of no value, whereas it is of considerable value, I conceive that the same answer will apply equally to Ramnad.

4236. Are not the lands that are called dry, flooded by a collection of rain water in some cases?—No; dry land is land not irrigated; it is cultivated by means of rain.

4237. Is that rain collected at one season to be used at another?—No; what is called dry land is punjab, and does not depend in the smallest degree upon irrigation.

4238. What is about the extent and population of Tanjore?—It is a triangle of above forty miles on each side, the population is 870,682, and the number of villages paying revenue to government 5,688.

4239. What is the amount of its revenue?—The revenue varies from various causes. I have here a table of the land revenue, together with the charges, for the years 1820, 1821, 1822 and 1823, in the first of which Mr. Cotton's administration commenced. The gross land revenue for 1820 was 33 lacs 4,892, the charges 7 lacs and 28,758, the nett collections 25 lacs 76,134; and it appears from this table that during that period there was a progressive increase in the revenue, and a progressive decrease in the charges: for the last of these four years the gross land revenue was 38 lacs 36,832, the charges 4 lacs 86,757, and the net collections 33 lacs 50,075.

4240. What led you to the selection of those four years particularly?—It was merely that I got the copy of an account that had been made at that period;

period; but the land revenue increased still farther during the two following years, owing to the increased price of grain.

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4241. In discharging the duties of the situation you held in Tanjore, you of course were conversant with the administration of the land revenue in that country?—Yes, I had experience of it for three years.

4242. Will you be so good as to state the description of settlement which prevails in Tanjore; was it a permanent settlement, or the ryotwar, or the village system?—It was the village system; but it was in some degree ryotwar also, as in most of the villages the share of each individual was perfectly known, and it was levied from him accordingly.

4243. To whom was it known?—It was known according to the government accounts, in which his share was entered.

4244. With what description of persons is the settlement made?—With the meerassydars.

4245. How do you conceive that a settlement made with the meerassydars can be considered as a village settlement?—There is calculated an amount for the whole village, which consists of the portions of each according to the government accounts, and their adherence or non-adherence to the rent causes general advantage or disadvantage to them all in making the settlement for the year.

4246. Do you mean to say that there is any one principal person responsible for the whole?—No.

4247. Will you explain more in detail the system of settlement that prevails in that country?—By a calculation made up from the old accounts of the village, a certain standard produce at a certain standard rate, with a fixed assessment on the dry land, &c., is offered to the meerassydars, who are the proprietors of the soil, at a rent. If they agree to that rent the settlement is made; if they do not consent to it the village is taken under the management of the Company's servants.

4248. In one village is there not frequently more than one meerassydar?—In most cases there are more.

4249. Is each of those meerassydars dealt with separately?—They generally agree together; if some of them will not agree, the rest most frequently hold back; but there are cases in which one portion will agree and the other will not.

4250. Has it fallen to your lot to make, or to assist in making some of those settlements?—It has.

4251. On those occasions with whom did you transact?—With the meerassydars themselves; but more frequently it is done through the tehsildar of the talook.

4252. Is the tehsildar an officer appointed by the collector?—Yes; he is collector of the revenue for a large division in the country.

4253. What

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4253. What is the duty of the sheristadar; is he in any way concerned in the collection of the revenue?—Not in the collection; he is the head native in the collector's office, who takes charge of the accounts.

4254. Will you be good enough to state what is the operation in that country in settling a village?—An account is made up from the best information which we at present possess of the extent of land and produce of that village. According to this account an offer is made to the meerassydars to pay a share of the produce upon this standard, and if they agree the settlement is made; if they do not agree, it remains under the government management.

4255. Is not the class of persons who cultivate the land immediately under the meerassydars called parakoodes?—They are.

4256. And below them is there not yet an inferior class?—Yes, an inferior class, denominated pullers.

4257. In point of fact, does the tehsildar or any other officer of the collector treat with the meerassydars individually previously to such settlement being made, or does he merely summarily place before him the sum at which his rent is proposed to be fixed by the government?—They inquire of the meerassydars if they are willing to consent to the rent, and they find out what their sentiments are in the case.

4258. Do you mean to say that on such occasions the meerassydars have full and free access to the servants of the collector of the revenue?—Perfectly free, and I believe in general, but certainly in my own case, perfectly free access to the European officers of government also. Their objections were taken into consideration, and if they appeared to be fair the terms were altered.

4259. Are the Committee to understand that in the country which you are speaking of those settlements take place annually?—The settlements have been of various descriptions. For the first four years of our possession the whole country was under Aumanee management; in Fuslies 1214-15 and 16 an annual rent prevailed generally over the province; from Fuslie 1217 to 1219, inclusive, there was a three years' rent; from Fuslie 1220 to 1224, inclusive, there was a five years' rent; from Fuslie 1225 to 1229, inclusive, a five years' rent; in Fuslie 1230 there was one year's rent; the same in 1231 and in 1232. In that Fuslie, which corresponds with the year of our Lord 1822, there was an effort made to settle the greater part of the country on a permanent footing, with a power of revisal in case of the settlement having been very improperly made.

4260. Do you know for how long, after we took the management, the administration continued under the Aumanee system?—For four years.

4261. Can you state the result of the produce of those four years?—I have no authenticated statement of the produce of the whole country for those four years, but I have here selected by accident the annual produce of
a considerable

a considerable number of villages, perhaps twenty-five villages, stated annually. 26 Aug. 1831.

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4262. During the period that the administration continued under the management of the government, did the revenues, or did they not, largely decrease?—I believe they decreased very largely; at all events the produce brought to account was greatly diminished.

4263. To what do you attribute that large decrease under that system?—To the impossibility of managing so extensive a country upon that system. I have found that even in the small number of villages which are still under the government management, there is the greatest difficulty to make those lands produce any thing like what it is proved that they produced in former years, even with, in many cases, an improved irrigation.

4264. Have you reason to know that, under that system of administration, fraud and corruption existed to a very great extent?—To a very great extent. In the first year of our possession it appears that the administration of affairs went on very satisfactorily. In the second year there began to be some frauds; but in the third and fourth years there were very great frauds, so much so that a commission was sent from Madras to investigate. It will be proved by a reference to almost any of those villages of which I have accounts here, that as soon as the village came under the government management, the produce brought to account invariably fell off. In many cases the cultivation was decreased and not so well performed.

4265. What are the four years during which it was under Aumanee management?—From 1801-2 to 1804-5.

4266. Did any circumstances come to your knowledge, which exposed a very general system of corruption in the individuals employed in the collection of the revenue?—In some cases I obtained possession of the real accounts of the meerassydars of the villages, and in those accounts there was almost invariably a very large account of bribes paid to the different native officers of government.

4267. Do you mean that you had, from the admission of the meerassydars, evidence of the existence of a general system of that description?—The meerassydars were unwilling to admit any such facts, but at the same time they admitted that those were their own accounts. I have in my hand a translation of an account of one meerassydar; it consists of nineteen pages, and only comprises five years, and it is almost throughout an account of bribes that he gave; and here are notes from his correspondence with his own managers, in which he directs them to give those bribes, and to endeavour to get the grain measured falsely, to use false measures, and to take possession of some of the grain at night, if they can get it falsely measured in the day-time; and my belief is that throughout the Aumanee villages in general this is the system that prevails. I believe that under very careful
superintendence

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superintendence it may be prevented in a considerable number of cases, but that it is quite impossible to prevent it altogether. I can produce a number of cases in which, during my own administration, villages that have produced a very small amount of grain, compared with what they produced formerly, are now rented at a produce equal to or greater than former years; but there is even a difficulty in getting the meerassydars to cultivate the whole extent when it is under the government management.

4268. In the event of the meerassydars not consenting to the rental fixed by the government, do not the government take possession of the management of the estate?—They do.

4269. What description of officer, and by what name is he designated, whom the government appoint to conduct the management of the estate?—A person called a monygar is appointed.

4270. Of what class or description of persons is that monygar?—He is generally a person looking out for an office; sometimes it turns out that he is a person who has been already displaced from some office. The pay is so small, and the appointment so temporary, and the opportunities for peculation so notorious, that it is difficult to procure people of character to fill the situation: they are in all cases natives of the district.

4271. They are not then generally held to be persons who are supposed to be beyond the reach of those practices which the accounts you have just produced of this meerassydar exhibit?—No; there is in general very little dependence to be placed upon them; but if the peshkar, the deputy-tehsildar, and the tehsildar do their duty, the affairs of the village will be well managed, as I can prove in a great number of cases. The peshkar is a person who manages a sub-division of the talook under the tehsildar, and reports to him.

4272. Will you have the goodness to state in what proportions the produce may be supposed to be divided?—Taking the produce at 100 cullums, $11\frac{5}{4}$ per cent. is deducted for certain rights and fees of office, *viz.* cavil pagoda curnum. This leaves $88\frac{1}{4}$, half of which $44\frac{1}{8}$ is the government share, with one per cent. added for alms resumed, leaving $45\frac{1}{8}$ as the government share of the produce: but in cases when the meerassydars do not agree to the rental, five per cent. is taken from their share to pay the expenses of the management of the village.

4273. What is the share that remains to the meerassydar independent of the five per cent. deducted?—The meerassydar has one-third with that deduction from the gross amount, and the parakoodees the other two-thirds of the remainder.

4274. And of those two-thirds what proportion does he allot to the parakoodees?—They have the whole of it; and from their share is provided the seed and expenses of tillage.

4275. Do

4275. Do the parakoodes consider that they have a right to that share? 26 Aug. 1831.
—They have a perfect right to it; and sometimes they lay their complaints before the collector if the meerassydar attempts to oppress them. *A. Sinclair. Esq.*

4276. Are the parakoodes the actual cultivators of the soil?—In some cases the meerassydar cultivates, and takes all that share to himself, and is at the expense of cultivation; but in general the parakoodie is at the expense of the cultivation. The meerassydar enjoys the rest perfectly free as a revenue.

4277. In the event of the meerassydar not concurring in the rent, but the government taking it into its own administration, and appointing a monygar, what becomes of the situation of the parakoodie?—He receives the same share that he would have done if it had been under the meerassydar, excepting that if there be, as there often is, a very large share of produce not brought at all into the government accounts under the rent, of that the parakoodie will be thereby deprived. He receives the same *proportion* otherwise; but from deficiency in the cultivation perhaps a less *quantity*.

4278. In what mode is the monygar remunerated?—He is paid a small salary.

4279. In the event of the government taking the cultivation of the estate into their own hands, does the meerassydar continue to receive the same proportion of the produce that he would have had had he consented to pay the rent?—The meerassydar loses; five per cent. of the gross produce is taken by the government to pay the expense of superintending the cultivation.

4280. Does the meerassydar under those circumstances get any profit whatever?—The meerassydar has his share of the produce, minus five per cent. The five per cent. is deducted from the sum total of the villages. I have here a paper containing a statement of the case of a village, given to me by one of the chief servants of the government, as an example of the rent, though it does not give the usual process of fixing the grain amount.

4281. Will you have the goodness to read that paper?—

[*The Witness read the same, as follows.*]

“ *Memorandum.*

Vaylies. m. g.

Ramapooram village, containing 15 — —

This village, as well as the whole province, was under management of the circar from Fusly 1210 to 1213, both inclusive; and the quantity of gross produce in the abovesaid years is as follows:

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Fuslies.	Extent of Land.	Gross Produce.
	<i>Vaylies.</i>	
1210 - - - -	15	1,875
1211 - - - -	15	2,250
1212 - - - -	15	1,500
1213 - - - -	15	1,800
	60	7,425
Average, or $\frac{1}{4}$ -	15	1,856 $\frac{1}{4}$

In some villages the average abovesaid is taken as a basis of the settlement for the subsequent years; and in others, the highest gross produce in the said four years is taken, according to the local state of the village and the nature of the irrigating river. As, for instance, the standard gross produce for this village is the average of the four years, which being cullums 1,856 $\frac{1}{4}$.

	<i>Culls.</i>	<i>m.</i>	<i>m.</i>
Deficiency of produce is - - - - -	156	—	—

The mailwarum or circar share is - - - - -	67	11	1 $\frac{1}{2}$
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at 3 double fs. a cullum, amounts to chs 20. 4, to be deducted from the profit by price.

The following are the deductions usual in the gross produce of a village:

	<i>Culls.</i>	<i>m.</i>
9 per cent. sotuntrums on the gross produce, is - -	167	—
Remainder - - - - -	1,689	3
Deduct again 3 per cent. mauniums - - - - -	50	5 $\frac{3}{4}$
Remainder - - - - -	1,638	9 $\frac{1}{4}$
Deduct again the coodiwarum or inhabitants' share, at 50 per cent. - - - - -	819	4 $\frac{5}{8}$
Remaining amount of mailwarum or circar share -	819	4 $\frac{5}{8}$
Add, resumed pitchay, at 8 mercals per 100 cullums -	12	4 $\frac{1}{4}$
Total - -	831	8 $\frac{7}{8}$

Note.—A chukrum is nearly a rupee and a half.

which is charged at 3 double fans a cullum, being the standard price, and amounts to - - - - - 249 5 8

The abovesaid sum of 249 chs. 5f. 8c. is the standard money amount fixed for the village; and as this standard money amount is formed at the rate of 3 fans a cullum, it may vary as the current selling price rises or falls.

If

If the current selling price become $3\frac{5}{4}$ fan^s a cullum, it is 25 per cent. more than the standard price; the amount at 25 per cent. to the standard jumma is 62*chs.* 3*f.* 26*c.*, and out of this profit by price 10 per cent. of the standard jumma, being 24*chs.* 9*f.* 16*c.*, is remitted to the inhabitants, and the rest, being 37*chs.* 4*f.* 10*c.* if added to the standard jumma, amounts to 286*chs.* 9*f.* 18*c.* to be collected from the meerassydars.

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But if on the other hand the price fall 25 per cent., and become only $2\frac{1}{4}$ fan^s a cullum, the amount of the loss between 3 and $2\frac{1}{4}$ fan^s

<i>Chs.</i>	<i>f.</i>	<i>c.</i>
62	3	26

a cullum is - - - - -

The amount to be remitted to them at 20 per cent. only is 49 8 8

In the standard money amount, the aforesaid sum of 49*chs.* 8*f.* 8*c.* is deducted, and the rest, being 199*chs.* 7*f.*, is only collected from the meerassydars."

4282. Was the settlement made by Mr. Wallace a settlement from year to year?—For the first year it was from year to year, then for three years, and then there were two periods of five years in succession; but during most, I believe all, of those years, there were villages that did not come into the arrangement.

4283. From the means of information you possessed during your experience in Tanjore, should you say, that upon the whole the means of ascertaining the fair rents are satisfactory?—I think that hitherto the information is exceedingly imperfect. During my administration of the sub-division, I found that there was a great extent of produce that had not been brought to account. I am treating at present almost entirely of irrigated land, the other is comparatively of small importance, and the settlement of the villages is always founded upon the amount of produce in the wet land. There are some cases in which the meerassydars held out from not consenting to the fixed teerwa upon the dry land; but that is very seldom the case. I found that there was a very great extent of cultivation that had never been brought to account; and also that the produce in some villages was actually above 100 per cent. more than appeared in the government accounts. The consequence is that the servants of the Company, being aware of their enjoying this surreptitious advantage, levy taxes upon them to a great amount almost at pleasure, and the meerassydars do not complain of this, because they wish the system to continue. When I was in charge of the whole district, I found that the extent of land and produce not brought to account, was even greater than in my own division; and that the information regarding some of the villages was much more erroneous than that of any in my own division, to the amount of 2, 3, and in some few cases 400 per cent. I reported those circumstances as they came before me to the Board of Revenue.

4284. Under those circumstances of defective information, and of the
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existence

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existence of so much disposition and of so many opportunities for corruption, do you not consider the recurrence of an annual settlement is a great evil?—I do; and I stated, both privately to Sir Thomas Munro and publicly to my superiors, that I was anxious that the true state of the country should be known, and that then a fair settlement should be made, so that the meerassydars might be assured against increase of rent on the part of the government, and against exaction on the part of the government servants; but that as long as this system continued, so long would fraud, bribery, and extortion subsist with it.

4285. During the period you were sub-collector, how many villages had you under your charge?—The whole number of villages paying revenue to government was 5,688, and I had nearly two-fifths of them, namely, 2,044; and my division was more populous than the other. The number in 1824 was 285,166.

4286. In the Madras revenue collections there is a letter from the governor and council of Madras, dated the 5th of March 1813, in which there is the following expression: "Presuming on the information being as accurate regarding Tanjore, &c. as that which a landlord has of his estate." Did anything fall within your observation to enable you to suppose that the government of Madras of that day, or of any subsequent day, had any thing like as accurate a knowledge of the country within their administration, as a landlord has of his estate in England?—I believe the information is very far from being complete; and I believe that both the Madras government under Sir Thomas Munro and the Court of Directors, are quite aware that the information is very imperfect.

4287. Do you conceive it possible to come to any fair estimate of the probable proceeds of those different lands by any other means than by a careful revenue survey?—That system would perhaps be the most satisfactory; but I think that information quite sufficiently accurate could be procured by a careful investigation, without going through so tedious and so expensive a process.

4288. The system of fraud being so notorious and extensive as you have described, did it happen within the period of your residence in that country that any individuals were prosecuted?—I myself have brought several tehsildars to justice, in so far as having proved them to have taken bribes; they were dismissed, and fined to a considerable amount.

4289. By whose authority?—By the authority given by the regulations, requiring the sanction of the Board of Revenue.

4290. Does the collector act under the control of the Board of Revenue?—The collector makes monthly reports to the Board of Revenue of all the fines that he has imposed for that month, with the causes for which they were inflicted;

inflicted ; and in some cases the Board of Revenue revises those proceedings. 26 Aug. 1831.

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4291. Does the collector, in any instance of detection and conviction of speculation or malversation, proceed to inflict punishment without first obtaining the sanction of the Board of Revenue?—The collector acts upon the evidence before him upon his own responsibility ; but his proceedings are liable to be revised and even cancelled.

4292. Of what description of persons is the Board of Revenue usually constituted?—The Board of Revenue is appointed by the governor, who is responsible for the fitness of the persons who are so appointed.

4293. Have you found practically that the Board of Revenue has been disposed energetically to support the collector in his attempts to put down the abuses that prevailed?—I feel great delicacy in answering this question ; but I can only speak as to my own case, in which the Board seemed to seek occasion to object, and the government in their answer to the Board supported me in some points against the opinion of the Board, particularly in approving and directing a continuance of those inquiries which the Board ordered to be stopped.

4294. Can the Board of Revenue, in any case, having any local knowledge upon the subject upon which they have to decide?—Some members of the Board of Revenue have been in the revenue department, and therefore they are acquainted with the system, and with the state of the countries where they were.

4295. Supposing an individual felt himself aggrieved by a conviction before the collector, in what way does he address himself for redress to the Board of Revenue at Madras?—He either goes himself, or sends a complaint to them by petition.

4296. Previous to the collector's decisions on such cases being overruled by the Board of Revenue, is he himself heard upon the subject?—He has an opportunity of an explanation.

4297. During the period that you yourself discharged those duties, had you occasion to make any specific reports and suggestions to the Board of Revenue touching the abuses that prevailed within your jurisdiction?—From the time I became acquainted with the state of Tanjore I repeatedly made representations, and particularly when I was in charge of the whole province ; I mentioned that a tehsildar, whom I had turned out and convicted of fraud and bribery to a considerable amount, had represented to me, that in one of the talooks in which he had administered the affairs of government for some time, there was a revenue of a lac of rupees which might fairly be levied from lands and produce that were not brought to the government account. There were other tehsildars who made similar reports of other talooks, but not to the same extent ; and I discovered in my own division, that there was a very considerable extent of land that had never been brought
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to account, *viz.*, above 1,600 vaylies, equivalent to about 8,000 acres of wet land, and a very large amount of produce.

4298. Are you aware whether any steps were taken, or any inquiries made in consequence of those representations?—In consequence of Sir Thomas Munro's information, from various sources, regarding the real state of Tanjore, he ordered the survey, which was commenced at the time when I left the country.

4299. Who succeeded you in the collection of Tanjore?—Mr. Campbell.

4300. Were not some steps taken by Mr. Campbell for the commencement of the government survey?—Mr. Campbell commenced the survey in a part of the talook of Myaveram. The chief meerassydars there are notorious for being very factious, and I understand that the plan failed; but having left the country, I am not sufficiently acquainted with the particulars. Sir Thomas Munro, from his high opinion of Mr. Campbell's capabilities for conducting this survey, gave him greater powers than were usually given to collectors.

4301. Are you aware of any defaulters or speculators having been brought to conviction by Mr. Campbell during his collectorship?—Merely from hearsay.

4302. Do you know anything of the circumstances of Mr. Campbell's removal from the collectorship?—I know that he was afterwards placed in a high situation at Madras. There is one point that I wish to mention with regard to the frauds that have taken place, that I found, from various accounts, that when the meerassydars of a great number of rented villages demanded remission on account of loss by drought or inundation, in those very years they had a very large increase beyond the standard grain amount; and for their connivance and assistance in perpetrating this fraud, the native servants of the government received very large sums of money. Among other instances, I have found from a suit in court between two meerassydars of a village held in common one proof of the frauds that are practised. The meerassydars have all private accounts of their own, which differ totally from the government account. I believe that the curnums have also two sets of accounts, one for the officers of the government, and one for communications with the meerassydars.

4303. Does it not then appear that all those frauds and abuses have their origin in the looseness of the existing system of settlement?—The greater part of them.

4304. Does the existing system give the native proprietors any permanent interest in the country?—The native proprietors have a very valuable interest, which is saleable either publicly or privately; but the amount given by private sale is generally much greater than by public sale, because in public sales sometimes the servants of the government have made an arrangement beforehand, by which they are to become the purchasers; and although the transaction

transaction is public, yet they prevent people coming forward, and the bidding is very often unfair.

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4305. Is it your opinion that the meerassydars would prefer an annual or a temporary settlement to a permanent settlement?—The great meerassydars are averse to having the exact state of their villages known; they have no objection to making the settlement for a long period, provided they are still to enjoy the advantages which they are conscious they possess.

4306. In each case will not it depend upon the amount of concealed lands not brought to account which the individual may hold?—I conceive so; they are very willing to come to a final settlement when that settlement is very inadequate, but when the settlement is quite fair, many of them will not agree to it, in hopes that by some means or other they will get a more favourable offer at a future period. In the revenue letter from Madras, dated the 30th of January 1824, it is stated that the meerassydars might have held out for one season, but that it is not likely that they would have held out longer if the rent were fair. But if the intention of this letter be carried into effect, (for it is stated that this proves that the rent must be too high, and therefore it is proposed to lower it,) that is the very object for which they have held out.

4307. Do the meerassydars at present conceive that they have any considerable interest either in extending irrigation, or otherwise improving their estates?—They throw the whole burthen of sustaining the irrigation upon the government; I have even known an instance in which they were averse to assisting the government with their own people who were in the neighbourhood.

4308. Do you think that a system of settlement, either in perpetuity or for a long term of years, would be beneficial, both as respects the revenue, and as far as regards the well-being and improvement of the condition of the natives?—I consider that a fair settlement for a long period of time would be very advantageous to the people; and if made on equitable terms would not be injurious to the government interests.

4309. What do you mean by a long period?—Fifteen or twenty years.

4310. You have stated that the meerassydar's share of the gross produce amounts to about 40 per cent.: supposing the whole of the lands in Tanjore were brought into the assessment, and that 40 per cent. alone were allowed to the meerassydar, do you conceive that under such circumstances the estates could have any value at all in the market?—Yes, I do.

4311. Do you not imagine that the chief value of the estates sold arises from the quantity of land cultivated, which is not brought into the assessment?—I should consider that in the cases where there is land not brought into account, that would increase the price very materially.

4312. Can you give any idea of the number of meerassydars who have refused

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fused at any period to concur in the requisitions of government?—I could give the number of villages, but not the number of meerassydars.

4313. Does not a meerassydar sometimes possess more villages than one?—A great many, sometimes twenty-five and thirty villages.

4314. And in some instances are there not three or four meerassydars in a village?—In some cases there may be above 100 meerassydars in a village.

4315. Was there any other European assistant in the management of the revenue in Tanjore at the time you were there, besides the collector and the sub-collector?—There was the head assistant and the second assistant to the collector, who were all Europeans.

4316. Do you conceive that that amount of European superintendence was sufficient in any measure to control the disposition to extortion which the native collectors exhibit?—I should consider it sufficient, if it were not that the state of the country is unknown to the government, but is perfectly known to the native servants.

4317. Have the Europeans employed there any other duties to perform besides that of the collection of the revenue?—Yes, the great additional duty is that of magistrate.

4318. Under whose superintendence is the police?—Under the magistrates.

4319. Are you aware of any considerable amount of oppression practised in that district upon the cultivators of the soil, by compelling them to cultivate a quantity of ground in proportion to their circumstances?—No, that system does not apply to Tanjore. During the time I was there, I only recollect one instance in which there was a great dispute between the meerassydars and the parakoodees, which I got settled amicably.

4320. Would the system referred to apply to Madura?—I am not sufficiently acquainted with the district of Madura to be able to state, having been only six weeks there in charge of Ramnad.

4321. Did you ever hear that in that province a species of torture was ever resorted to by the native officers to coerce the ryots to cultivate?—No.

4322. Is it stated in the Revenue Selections, in a letter dated 1818, that “ the new laws by their general principles, and not by any specific enactment, took from the native revenue officers the power to punish and confine, which they have exercised to coerce the ryot to cultivate, and annually to take from him all that he is able to pay. The tehsidar was stripped of the ketticole or hand-torture, the stone placed on the head under a burning sun, the stocks, and others of his former insignia of office, by the display and occasional use of which he had been enabled to saddle the ryots with the rents of such lands as he deemed proper.” Can you of your own knowledge state whether such proceedings took place in any part of India?—I can only speak with regard to three districts, and no such case ever came to my

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my knowledge. I beg to add, that I experienced no difficulty in Tanjore in collecting the revenue, and the state of things just referred to does not exist, at least as far as my knowledge goes.

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4323. The letter which has been quoted has reference to some relief given from the evils that existed under the ryotwar system; are you aware whether the new regulations do, in point of fact, prevent practices of that nature?—I am not aware of it. I know that that system did prevail of forcing the ryot either to cultivate that which he was unwilling to cultivate, or to pay for land that he did not cultivate; but it was not in Tanjore, and I do not know how it is at present situated.

4324. Have you examined the mound of the Cauvery in Tanjore?—I have; it is of very great extent. The river is divided by the island of Seringam, and it would be rejoined at the other end of the island, but for this work, which is erected in consequence of the southern portion of the river flowing in a higher bed than the northern, and taking advantage of this circumstance, this annicut is built to throw the river into the Tanjore district.

4325. Is it not from that work that the great fertility of that part of the country principally arises?—It is.

4326. Is not that a work of an ancient date?—It is; before we had possession of the country.

4327. Is it kept in good repair at this moment?—That and all the other works are paid particular attention to. I have here a table of the annual expense of the works for irrigation for every year, and the most minute attention is paid to keeping the channels clear, and promoting irrigation by every means.

4328. Have you seen several other situations in India, where works of a similar nature, on a smaller scale, might be applied with great advantage to the country?—I have not seen any places where it could be carried to much greater extent than it is, but I have no doubt that there are such places.

4329. Do you not conceive that in that part of India irrigation may be carried, with proper attention and outlay of capital, to a considerably greater extent than it is now carried to?—I am not aware that any very great addition could be made. In the Ceded District there is a tank between two hills, which I believe is twenty miles in circumference.

4330. Should you say that in Madura the irrigation is carried to as great an extent as it might be?—I have no doubt that it might be in some degree improved; but in regard to the district of Ramnad we are only in temporary possession, and I am not aware of the state of the zillah of Madura itself.

4331. The language of Tanjore is the Tamul, is it not?—It is.

4332. In what language are the revenue accounts kept?—The revenue accounts are generally in the Mahratta, and the accounts in the district are

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all in the Tamul. When they reach the talook office they are converted into the Mahratta, in which state they are sent up to the European office.

4333. After that are they again translated, or are they sent in the Mahratta to the Board of Revenue?—All the accounts that accompany the annual reports are sent in English; but of late years Sir Thomas Munro added to the Board of Revenue some native officers, to whom the Mahratta accounts are now sent.

4334. Are the natives of Tanjore generally acquainted with the Mahratta language?—Not in general; but the cleverest accountants are the Mahratta Brahmins, which is the cause of the accounts being kept by them.

4335. Then in the event of a reference to the revenue accounts on the part of the cultivators, which accounts would they see, the Mahratta accounts or the Tamul accounts?—The Tamul accounts. Besides the village or vuttum curnum's own account, there is a curnum of a larger district (Mahanum), whose accounts are also in Tamul; those are sent to the talook office, and there they are deposited at the same time that they are put into Mahratta.

4336. You have stated that you understood the native languages, and transacted all your business with them in the language of the people that you communicated with; is that generally the case with the Company's servants?—No; there are some cases where the collectors and judges have learned one language or two languages, and then they are sent to a district where there is a third language spoken, and in that case they are obliged to communicate by means of interpreters.

4337. Is not it one of the peculiar difficulties of the Madras presidency the number of languages spoken within that presidency?—It is.

4338. How many native languages might you meet with within that presidency?—The Tamul and the Teloogoo are the two prevailing languages. On the Malabar coast there is the Mallyalum, and in the north-western portion the Canarese, but that only prevails in one district, although it is known in the Ceded Districts. The Hindostanee is sometimes made use of, as in the case of the late Mr. Peter, the collector of Madura; he generally communicated in Hindostanee, which is the French of India; it is understood by most natives of education.

4339. If one language was to be studied, either in this country or in India, by any individual going to that presidency, which of those languages would you advise him to make himself master of?—I should conceive that the Tamul and the Teloogoo would be the most likely to be useful, because the Hindostanee would not enable him to communicate with the lower rank of natives in the country excepting the Mussulmen themselves, whereas the Tamul and the Teloogoo prevail over several very large districts.

4340. Do the government pay much attention to the qualifications of the young gentlemen that go out as writers, with respect to making themselves perfect in some of those languages?—They are encouraged as much as possible

sible to become acquainted with them ; but perhaps in their after service those languages may not be of so much use as might be expected. 26 Aug. 1831.

4341. What languages did you make yourself master of, and at what period did you acquire them?—In the college at Haileybury I made myself pretty well acquainted with Persian, studied a little Hindostanee, and began Sanscrit. When I arrived at Madras, I was told “these languages will be of no use to you, you must select two other languages to learn.” I then chose, first, Tamul or Malabar, and secondly, Teloo goo or Gentoo ; I was consequently more intimately acquainted with the Tamul than with the Teloo goo ; but when sent up the country, I was sent to the district of Cuddapah, where the Teloo goo was spoken ; I however was able to transact the whole business without an interpreter, and dictated decrees in the language of the country. When I came home, and returned four years afterwards, I was appointed to a district where the Malabar was spoken, and I was enabled to manage the business and to converse with the natives without an interpreter.

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4342. In part of your evidence you have stated, that when Tanjore in 1800 fell under our particular management, from that time the revenue began to decline ; have you had an opportunity of looking at the Revenue Selections that have been laid before this Committee ?—I have not seen them of late.

4343. It appears from that, that the revenue had been declining before that period, and from that time became greater for several years ?—It was the amount of produce that appeared to decrease ; the revenue might vary on account of price. I merely stated, that during the last two years of the Aumanee system there had been very great plunder, and that the revenue had decreased so much that there was an inquiry appointed.

4344. Was it from the decrease of revenue that it was taken into the hands of the government ?—No ; it was in the hands of the government for the first four years, and it was during that time that this system of fraud, which was almost universal throughout the district, took place.

4345. In alluding to the extensive frauds committed by the government native servants, do not you ascribe them chiefly to the very low rate of payment which those servants receive ?—Not altogether to that cause, because the tehsildars are very handsomely paid ; they have one hundred and forty rupees a month ; but I conceive that no pay would prevent them from taking money from the people, so long as the present system makes the temptation so very powerful.

4346. Do you conceive them to be more apt to commit frauds than the lower classes of people in this country ?—I consider the present system has caused a great degeneracy of morals there, and that they are very much worse than the people of this country.

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4347. Is that in consequence of the system under which the government exact the revenue?—From the present system of administering the revenue.

4348. And consequently might not a change of that system naturally be expected to produce an improvement in their morals?—Yes : at the same time the character of the natives is such that they seem to have no idea of justice or truth ; they consider justice as deciding in their favour, and injustice as deciding against them, and they have not much idea of gaining justice except by means of bribery. I think they have very great confidence in the Europeans generally, but the only reason why they have not absolute confidence in them is, that they are afraid that they will be imposed upon by the native servants around them ; and therefore, even in the zillah court, they bribe the servants of the judge, although the judge may be a person of unimpeachable character, as in the case of the judge of Tanjore while I was there.

4349 Must not that be more particularly the case where the judges do not understand the native languages?—It must render them more liable to being imposed on.

4350. If complaints were brought to you, as collector, from the natives, did you not generally inquire into them, and remedy them if you could?—I did ; I sat outside of the office, and received complaints from all who had any to present. As many sometimes as one hundred people in a day, came with complaints of various sorts, some of them relating to the magistrate's office, some regarding their own neighbours, and some regarding irrigation and other subjects ; and I endeavoured to give justice on the spot, if possible ; but if it was impossible, I took the best means that occurred to me to procure justice.

4351. Could a collector, who did not understand the language of the people, have done so?—He might, through an interpreter.

4352. During the time you were in that situation, did any complaint ever come to you that a person had been tortured?—I have no recollection of any case in which torture was proved ; I recollect that there may have been a case, though very rarely, in which complaints were made, but I never recollect a case being established. There was no case in which a man came and showed any appearance of having been tortured ; but when the natives make a complaint, they generally throw in a great number of circumstances which are utterly destitute of foundation, merely to make up a strong case. When Sir Thomas Munro passed through the district he took petitions from hundreds of people, and it appeared that none complained of such oppression.

4353. You have stated that, when the government take possession of one of the villages, the person who is put in as monygar is very often a man of bad character : is the collector aware, at the time that he puts that village
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in his possession, that he is a man of bad character?—No, that situation is not filled up by the collector; it is generally filled up by the tehsildar. 26 Aug. 1831.

4354. Is not the tehsildar the confidential revenue officer of the collector? —He is the head administrator of the talook; but it is impossible, where there are so many offices given away, that the collector should inquire into the character of every individual. One reason I have for saying that I recollect the monygar's situation to be so very low is, that the peishkar only gets seventeen rupees a month, and he has the whole district under him; and consequently, a person who is put in charge of a single village, or of two or three small villages, cannot have the half of that. *A. Sinclair, Esq.*

4355. How would you propose that the information should be obtained which you say is wanted with regard to the revenues of Tanjore?—It would require a very active person to make investigations for several successive years, and to inquire of every person at all acquainted with the state of the different parts of the country, and to verify the information occasionally by measuring the land, and by estimating and measuring out the produce or a portion of it.

4356. Are you aware that a measurement had commenced in Tanjore, and that the natives showed so much objection to it, that the government in the meantime withdrew it?—I am aware of that fact; but I conceive that the opposition to it arose from the desire to continue their system of concealment.

4357. If any individual, without going minutely into a measurement, was merely to give his opinion that such and such villages would bear additional assessment, or that he believed there was a certain quantity of land concealed in those villages, might not that individual, giving an opinion loosely, be apt to be much mistaken, and lead the government to make an assessment which might be very unjust to the people?—I think, that if he took all the information that could be got, and was at all judicious, there would be no great danger of his exceeding the real state.

4358. You have stated, that when one of the revenue servants is reported to have acted with impropriety, the collector decides and acts upon his own responsibility; does not he also immediately report to the Board of Revenue what he has done?—There is an order of late years, that they should immediately report in the case of any of the servants of the highest rank, such as sheristadars and tehsildars; he may dismiss the others without reporting; but every thing is reported at the end of the month, with respect to all above a certain rank receiving a certain sum of pay.

4359. Upon the whole, what is your opinion with regard to the happiness and comfort of the inhabitants of Tanjore at the time you were there?—At the time I was there they seemed to be very comfortable. I can chiefly judge from the facility with which the revenue was collected.

4360. Is it your opinion that the assessment upon that country is a light assessment?

26 Aug. 1831. assessment?—It is a very light assessment in some places; and I think in very few cases is it heavy.

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4361. Was the population upon the increase?—I am not aware; I should think that it was nearly stationary; it is a great exporting country, and has been so for so many years, that no increase of food would be likely to create an increase of people, because already they have much more than they can possibly consume.

4362. You are understood to have stated that you considered the assessment as extremely unequal; that in many instances cultivated lands were wholly exempted, and that in other cases they were inordinately taxed?—No, I do not consider them inordinately taxed anywhere, or a remedy would be applied. There may be some few villages that are taxed rather high; not more, however, than they can pay; but there is great variation, from the unknown advantages which so many possess.

4363. How does it happen that in frequent instances the government is obliged to take the management of the estates of the meerassydars into their own hands, the meerassydars not acquiescing in the rent proposed to be affixed?—In the case of Moopen, who was a great cavilgar, and has a great many villages, it has always been considered to be a feeling of pride; and although the villages may produce even more than the standard grain amount, yet there are several advantages which they consider themselves to possess, besides the hope of getting a more favourable assessment at a future period; their having no responsibility for the sale of the grain is one.

4364. You have stated that you consider the assessment generally to be a light one; do you not consider that the tax of 40 per cent. of the gross produce is an inordinate tax?—I do not, in a case where the produce is so great, and where it is so very fertile; in a poorer country it might be so.

4365. Do you conceive that, in those cases in which there is no concealed land cultivated, the assessment is in such cases a light one upon the people?—I should consider it a fair assessment in those cases.

4366. You mean in so far as the government claim went?—No, in as far as all parties are concerned.

4367. Is there not a considerable extortion on the part of the revenue officers?—I consider it to be a proof of its being a light assessment that they still can afford to pay those extortions of the officers.

4368. When you were in Cuddapah, who was the collector?—Mr. Hanbury.

4369. Was he conversant with the language of the country?—He spoke the language of the country very fluently.

4370. Did any settlement take place during the time you were in Cuddapah?—I was there for two years, and consequently there were two settlements.

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4371. Were you present upon that occasion?—I happened by accident to be present upon one occasion. 26 Aug. 1831.

4372. Did the result of the settlement upon that occasion appear to you to leave a satisfactory impression upon the mind of the people?—I had a very scanty means of judging upon that occasion; but it appeared to me that a good many of the inhabitants objected to the settlement. *A. Sinclair, Esq.*

4373. When you state that the revenue is easily collected in Tanjore, and deduce from that the conclusion, that the settlement is a light one, are you aware that there are very considerable fluctuations in the amount of the revenue derived from Tanjore?—That is owing to the variation of price in the grain.

4374. Is it not the practice, in calculating the government share of the gross produce of the soil, first to calculate it as if it were to be taken in kind, and that quantity again calculated by the average price existing in the country?—It is.

4375. Would it not follow from thence, that in years of scarcity, and when the price had risen considerably, the government revenue would be the largest?—Yes. The drought in the neighbouring countries does not affect Tanjore at all materially, because the Cauvery is filled from the Malabar side of the country, where the monsoon I believe never fails; and consequently, although there may be a famine around, I believe there never was a scarcity in Tanjore. They always have a great quantity of grain to export, even in years of famine in the neighbourhood, owing to their deriving their supplies of water chiefly from the Malabar coast.

4376. You have stated that Tanjore is a great exporting country; what returns do they receive for the produce exported?—I believe, generally, money.

4377. Is there a greater accumulation of money in Tanjore than in other provinces of India?—A great quantity of the money of Tanjore is sent in the shape of revenue to Madras; much is not conveyed by orders or bills; it is mostly remitted in money.

4378. Then according to that system, money is constantly returning again, and constantly going out?—Yes.

4379. Is there not a greater portion remains in Tanjore than in the other provinces of India?—I believe there is a great deal of money in Tanjore, but I cannot compare it with other provinces. There must be more money in a rich province than in a poor one, and Tanjore is the richest province under the Madras government.

4380. Are any of the meerassydars men of prudent, saving habits?—In general they are not; the great meerassydars are like great landholders elsewhere, they are very often encumbered with debt; and on the occasion of a marriage, or other great ceremony, they do not limit their expenses by any regard to the future.

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4381. In the event of their accumulating any capital, what means have they of disposing of it?—I believe they generally bury it; there is no means of their employing it to any extent, and there is no place where they would feel disposed to deposit it.

4382. Would they be disposed, if the government gave them facilities, to deposit it in the coffers of the government?—No; and it would be exceedingly troublesome to have such a complicated account.

4383. Would it not be attended with great advantage to that province, if banks were established?—I think a bank might be of use.

4384. Do you not conceive that permission to Europeans to reside generally in India would be likely to lead to such establishments?—It might have that effect.

4385. Under such circumstances, do you not conceive that the trade of the province might be considerably augmented?—I am not aware that it would.

4386. Is not Persian the language in which the transactions of the courts of justice are carried on?—The transactions of the courts are carried on in the native language, but there is at the same time a Persian record kept, in consequence of there being a native judge attached to the court.

4387. Are the proceedings in those courts, and the examinations of witnesses all carried on in the native language?—All in the native language.

4388. How are the records of the court kept?—The records are kept in both languages, in the native language and in the Persian language.

4389. Do you not conceive that by the practice of keeping revenue accounts in the Mahratta language, that not being the language of the country, unnecessary difficulties are interposed in the management of the revenue?—I cannot say that I have found any difficulty in consequence.

4390. Do you yourself know the Mahratta language?—No; I merely know the figures, which are more convenient than those of the Malabar or Gentoo.

4391. Did any of the Europeans connected with your establishment know it?—No; I believe it is very seldom known.

4392. How many of the natives know the Mahratta language?—All the Mahratta Brahmins, and a great number of the higher caste of Brahmins, are acquainted with that language.

4393. Are the native revenue officers chiefly composed of that class?—Generally; because they are considered the most able of the natives.

4394. You have stated that you have been in the habit of communicating very freely with the natives in their native language, and consequently you must have had opportunities of observing their character. Setting aside that disposition to overreach which prevails among them, do you not consider that the character of the natives of that part of India is upon the whole the
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character of a frank and generous people, peculiarly sensible of gratitude? — I cannot subscribe to that opinion; I do not think they are frank or generous, and gratitude is a word which does not exist, I believe, in any of the native languages.

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4395. Does it not exist in the hearts of the natives?—I should think there was not a great deal of gratitude.

4396. You do not consider that they are a people upon whom kind treatment will produce a better effect than harsh treatment?—They would not be insensible to kind treatment, but it seldom makes the same impression that it would in other countries.

4397. Did you not find them sensible of your anxiety to do them justice? —I found some of them so; but when an officer is gone, I do not think that they preserve much regard for him.

4398. You said that the word “gratitude” is not to be found in their language; is not the word “ingratitude” to be found there?—There is no simple word for it; they have a phrase, *nunre-areamei*, meaning “the state of not knowing benefit.”

4399. Are not the natives, generally speaking, more likely to place confidence in persons out of the Company’s service than in those in the Company’s service, and more at ease in dealing with such persons?—I think that, excepting when a native’s own concerns are at stake, he would communicate with the government’s European servants very freely. I do not think he will communicate with any person regarding his own private affairs; but upon any other point, upon the state of the country, or the affairs of his neighbours, he has no objection to communicate.

4400. Are they not exceedingly servile to gentlemen in power, and much more so than to those people whom they are more upon a footing with?—They are exceedingly submissive both to native officers and to Europeans, but perhaps more so to the native officers than to Europeans.

4401. Are not the crops frequently left upon the field covered over with straw without any protection?—Under merely the protection of the watchman.

4402. Are not the pullers a class of persons who have but a bare subsistence?—They have a subsistence upon coarse grain.

4403. Nevertheless are instances of stealing among them frequent?—Not frequent of stealing from each other; when grain is carried off, it is generally done in consequence of dispute.

4404. Has any thing been done of late years towards the education of the people?—There is a missionary who has a school in the district, but I am not aware of any other means having been taken.

4405. Have the goodness to refer to page * of Mr. Gordon’s evidence, where you will find your name quoted as an authority for what is stated

* 62.

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in that answer. Is it a fact that the inhabitants in the first place cannot move from place to place, even to carry from village to village a burden, without a passport?—As far as my information reaches it is not the case in Tanjore. This answer seems principally to relate to the chank divers and chayaroot diggers. With that part of the subject I am quite unacquainted; but with reference to the cultivators, I only recollect that one case which I have already mentioned, and then I got the difference arranged.

4406. Were any of the native judges established in Tanjore when you were there?—Yes.

4407. How did they perform the duty?—The head native judge was a man of first-rate character; I had the highest opinion of him, and often conversed with him, and received visits from him.

4408. Had the natives confidence in his decisions?—I believe that in his decisions they had; but some of the talook moonsiffs, who were in inferior stations, were not so highly considered; in fact, some of them were very generally accused of corruption, as well as incompetency.

4409. Is it your opinion that that system can be extended so as to make it beneficial to the country?—I do not conceive that it can be extended further than it has been.

4410. Do you think it still necessary to limit the decision of the judge to a certain amount?—I think that as there is an appeal, and as it is in the discretion of the judge whether the native judges shall have the larger cases or not, the range might be considerably extended; but I do not conceive that the number of zillah judges could be decreased.

4411. To whom does the appeal lie from the native judge now?—To the zillah judge, and then to the provincial court.

4412. Are you aware of the extent of district over which the zillah court of Tanjore extends?—Yes.

4413. Do you know whether the amount of the population under it is as much as 1,300,000?—I think that may be correct.

4414. Do you think the zillah courts at Madras are sufficient to control as well as to decide appeals from the native courts?—I am not aware of what is the present state, but I know that at one time they were very insufficient, particularly on the Malabar coast.

4415. Was not there a consolidation by Sir Thomas Munro of some zillahs in that district?—Yes.

4416. Do you conceive that one zillah court for so large a population as you have described is sufficient to administer justice to the people of that part of India?—I consider it scarcely sufficient to superintend it properly.

4417. What would be the greatest distance that a ryot would have to travel, supposing he were either a party or a witness in a civil cause, and supposing

supposing that civil cause to be heard in the zillah court?—The distance might not be very great; in that zillah it might amount to fifty or sixty miles; but there are zillahs in which it might amount to 200 miles.

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4418. In speaking of the corruption and peculation on the part of native servants of the government, are you aware of any corruption or peculations which have taken place on the part of the Company's European servants?—I can only know of such cases as have been tried and brought forward which are before the public.

4419. Is it not notorious that such peculations have taken place on the part of the European servants of the Company?—There have been cases brought forward and substantiated, but not very frequently.

4420. Have they not been to a great extent of peculation where they have happened?—Where they have happened they have been to a great extent.

4421. Can you mention the names of any?—I only mention it from hearsay; that was the case of Mr. Peter.

4422. Are you of opinion that, in proportion to the number of the Company's European servants employed, and the number of their native servants, the instances of peculation are greater in the one than in the other in proportion to the number?—Infinitely greater among the natives; I consider that the conduct of the Europeans alluded to is an exception to the rule; but that in the other case the exception is where they do not speculate.

4423. How many native servants may there be employed in the district in which your were employed?—I cannot state the number, but it is very considerable; including the two sets of curnums, and the different officers, it must be 1,000.

4424. How many European servants are there?—There were four, and sometimes possibly five in the revenue department.

4425. Do you suppose that the total amount of peculations on the part of the natives have amounted to so much as the defalcation of Mr. Peter?—I am not acquainted with the amount.

4426. Have you heard that in the case of Mr. Peter the defalcation amounted to about twelve lacs of rupees?—I am not aware of that, but a letter I had from India stated a much less amount

4427. When the Company's servants travel through the country, in what manner are they conveyed and supplied with necessaries?—When I was in Tanjore I believe that every thing was paid for; and in cases where complaints came before me that such an officer or such a person had passed through the district and had not paid, I sent a reference to the military station of Trichinopoly to procure the payment. I conceive that of late years, at all events, it has been usual to pay.

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4428. Was it not usual formerly not to pay?—I am not so well acquainted with the system in former times.

4429. Who fixes the price of the supplies obtained from the natives?—The collector makes out a fixed price in his office.

4430. In fact, the party to whom the supplies are given pays for them at the rate fixed by the collector?—The rate fixed beforehand as a fair rate.

4431. Is that above or under the market price in general?—I am not certain, but I should think it was nearly the same.

Martis, 30^o die Augusti, 1831.

JAMES COSMO MELVILL, Esq. again called in, and examined.

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*J. C. Melvill,
Esq.*

4432. HAVE you looked into the evidence and statements delivered to this Committee by Mr. Langton, upon the subject of the Company's finances?—As I understood that it was the wish of this Committee that I should examine those statements, I have done so, and I am now prepared to answer any questions that may be put to me regarding them.

4433. Does anything occur to you as important to state, with respect to Mr. Langton's evidence in general, previously to your being questioned upon the several figured statements which he has produced?—As the great object of Mr. Langton this year, and Mr. Rickards in his evidence last year seems to be to show that the debt of India has been principally, if not wholly contracted for the support of the Company's trade it may be desirable to remind the Committee that such a notion is utterly opposed to the express and positive declarations of Parliament, made at times when the fact was more easily ascertainable than it can be at this remote period. In 1793 Parliament (*vile* 33 Geo. III, c. 52, s. 108) declared, "Whereas sundry debts incurred in the defence and protection of the British possessions in India, bearing interest, are now due and owing, amounting to seven millions or thereabouts;" this was all the Indian debt at that time. Again, in 1811, in the 51st Geo. III, c. 64, it was declared that the debt secured by the engagement of the Company in the East Indies, "was incurred by reason of territorial and political expenses in that country." Again, in 1812, the 52d Geo. III, c. 135, s. 18, provided that sums payable in respect of the loans made by the Public to the Company to enable them to meet bills drawn in discharge of the Indian debt, should be charged "upon the revenues of the territorial acquisitions in the East Indies;" and finally, in the last Charter Act, (53 Geo. III, c. 155), "Territorial debt," is the term

term used to describe the India debt. From all these quotations I think it will be seen that the converse of the proposition which Mr. Rickards and Mr. Langton are seeking now to establish, has been long since settled by competent authority, and that any discussion regarding the origin of the debt must now be useless, unless it be intended to revise all former decisions of Parliament upon the subject of the Company's accounts. I say this with a view of saving the time of the Committee, and not from any desire to avoid the minutest investigation and scrutiny into all the Company's accounts from the remotest period. My deliberate conviction is, and I state it upon the responsibility of the office which I have the honour to hold, that the more the Company's accounts are sifted, the more obvious will it be, not only that Parliament was right in coming to the conclusion that the debt was wholly territorial, but also that no statement of account has ever yet been furnished that does full justice to the commercial branch of the Company's affairs.

4434. Mr. Langton, in answer to Question 2906, refers to certain observations of the Select Committee in their Second and Third Reports in proof of his argument, that the debt of India is not wholly territorial. How do you reconcile those observations with the view which you have now given of the decisions of Parliament?—It does not appear to me that the passages which Mr. Langton has quoted admit of the construction which he has put upon them. It is very true, that the Select Committee, in the progress of their inquiries, saw the necessity of ascertaining whether the large amount of debt which had been contracted since 1793 was incurred wholly upon the territorial account; and therefore, in page 359 of their Third Report, they expressed themselves in the terms quoted by Mr. Langton. But if we follow the Committee to the end of their investigation, we shall find them, at page 373, stating and showing an excess of return by England to India since 1793, of £1,629,701, which, they add, “is the amount in which, upon the principle now acted upon, the Political may be stated to be debtor to the Commercial concern during the period in question.” This fact, so admitted by the Committee, and corresponding also with the fact admitted by Mr. Langton himself without including interest, seems to me to show that no part of the debt, from 1793 to 1809, could have been contracted for the trade. But whatever construction may be put upon the several passages in the Report of the Committee of 1811, Parliament must have been of the opinion I have ventured to express, because that Report was before them when they passed the two last laws to which I have referred.

4435. What was the financial state of the Company's affairs whilst their character was purely commercial?—That point appears to have been inquired into by the Committee of Secrecy in 1773, who in their Third Report, page 72, say, that “to enable the House to compare the profits of the Company, before they were possessed of the territorial acquisitions lately obtained in the East Indies, with what their profits are at present,” they have prepared a
statement

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J. C. Nicoll.
Esq.

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*J. C. McNeill,
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statement, showing the annual result up to 1756, when, as the Committee are aware, the wars began to press heavily. This statement shows, that in 1746 there was a clear balance in the Company's favour of £908,823 after repaying every demand. In that year hostilities with the French began in India, and the consequence was, that the annual balance gradually fell off, and previously to the acquisition of the Dewannie it had turned against the Company.

4436. Then supposing they had continued exclusively commercial, as they were in 1746, there would have been no necessity for contracting debt in India?—Clearly not; it is shown to demonstration in the statement to which I have referred, that the profits of the trade were not only ample to pay all the Company's obligations at that time, but were such as to have enabled the Company to enter upon the period when the expenditure for the wars commenced, with an undivided surplus, and consequently the necessity for borrowing in India must have been territorial, and in no degree commercial.

4437. Does it appear that the commercial charges incurred in India, which were afterwards brought forward in the Committee of 1810, are included in that statement or not?—The statement to which I have referred is drawn from a balance sheet, which shows the state of the Company's property after providing for every obligation.

4438. Is there any separation made?—The Committee of 1773, whilst exhibiting this general result of the Company's affairs, did not separate the territorial from the commercial part, but a Committee of 1783 (*vide Journals*, 12th March 1783), made such a separation so far as they deemed necessary, to show what commerce had expended up to 1765, on the territorial account.

4439. How does it appear that those charges were therein included, when the subsequent Committee in 1811 brought forward those charges under a separate head, as not having been included in any of the accounts before furnished?—The account produced by the Committee of 1773 being drawn from a balance sheet, every obligation, paid or unpaid, must have been provided for previously to striking the balance, and I am not aware, that any select committee has ever stated that in such accounts the Company had not made provision for every demand. The Committee in 1783, before showing the amount expended by the Company on account of the wars, deducted the whole charge incurred in maintaining all the settlements up to 1765.

4440. The question refers to the commercial branch, the object being now to ascertain whether there was a profit on the commercial or a profit on the territorial branch; and although the general account may show the particular result, is the distinction made in that period as to the commercial charges so clear and distinct as what was made by the Committee in 1810, when they brought forward that account which appears in the Appendix to the

the Second and Third Reports?—As I have already stated, there was no separation of accounts on the books of the Company in 1765: but I understood the object of the question lately put to me was to ascertain the state of the Company's affairs, whilst they were exclusively commercial. I answered that inquiry by showing that in 1746, just before the wars may be said to have commenced, their annual account exhibited a balance in favour of £908,823, after providing for every obligation.

4441. You have stated that in 1746 there would have been no necessity for contracting debt for the commercial department. That having been the case previously to the Company's assuming a political character, and their accounts in that character having since 1814 been separated from their trade accounts, what, upon the principle of separation, has been the result of the commercial branch?—By statements printed in the second Report of the Committee of last year, it will be seen that, after paying the dividend to the proprietors and all commercial charges, there was a surplus profit of £15,000,000 sterling.

4442. Then it would appear that both before the Company had the territory, and since the accounts were separated, the trade was profitable, and consequently that no debt could have been incurred in India for the trade?—Clearly not.

4443. Mr. Langton, apparently following your arrangement, has divided the time from 1765 to 1814 into three stages. Have you anything to remark upon this?—My division was 1765 to 1780; 1780 to 1793, and 1793 to 1814. Mr. Langton has not altogether followed this arrangement, even as respects the first period, as on reference to page * it will be seen that his statement is from 1765-66 to 1778-79 as regards some of the presidencies, and from 1766-67 to 1779-80, and 1764-65 to 1777-78 as regards others. With respect to the other two stages, he has taken 1781 to 1792, and thus omitted two years, one of which however is included in his last term, which is 1792 to 1809. These omissions and differences must of course affect the comparison which he has made with my statements, even without reference to difference of principle between his accounts and mine. I am however quite ready, in spite of these discrepancies, to proceed to show what reliance is to be placed on Mr. Langton's statements, whether considered by themselves or in comparison with mine.

4444. To what documents did you refer in preparing your statement for the first period, from 1765 to 1780?—To official documents laid before Parliament in the year 1783. I observe that Mr. Langton, in answer to Question 2786, when asked if there were no Parliamentary documents to which I might have had recourse, replied that there were accounts prepared by the Company's accountant-general, and laid before the Committees of Secrecy in the years 1773 and 1782. Now I wish to tell the Committee that the documents to which I referred were Parliamentary documents; that they were prepared by the Company's accountant-general; and what is more, that the results that they

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they contain were examined and sanctioned by a Committee of the House of Commons in a Report recorded on the Journals of the 12th of March 1783, from which, with the permission of the Committee, I will now quote the following passage, "It also appeared that the Company have received and realized in England, from the territories and revenues in India, no more than the sum of £3,622,969, from which deducting the sum of £2,169,398 paid to Government, the sum remaining for the Company amounted to no more than the sum of £1,453,570 which was appropriated in the reduction of the Company's bond debt; and the said sum of £1,453,570 being deducted from the sum of £5,069,684 leaves the Company in disburse upon account of the wars, by which the territories were acquired, to the amount of £3,616,113 besides interest." This sum of £3,616,000 is that which, it will be observed, I stated last year to be the amount (Question 5671, Second Report, 1830); and if the Committee will be pleased to refer to the Act of 23 Geo. III, c. 36, passed in consequence of the Report from which I have extracted the passage just quoted, they will see that Parliament adopted and acted upon the Committee's statements, alleging as a reason for affording temporary relief to the Company, that both political and commercial embarrassments had been caused by means of the expenses of the wars and hostilities in India, and the homeward-bound ships not having duly arrived; and in a subsequent enactment of the same year, (23 Geo. III, c. 83, s. 1,) the embarrassments of the Company were attributed exclusively "to the wars and hostilities in India and in Europe." Nor can it be said that the Committee or Parliament came to these decisions without the amplest information. On reference to the Journals of the 5th of February 1767, it will be seen that a series of accounts was laid upon the table, showing in full detail the enormous expenditure on account of the wars previously to 1765. Seeing, then, that the statement which I made has been authorized by official documents, by a Committee of the House of Commons, and by Parliament itself, I leave this Committee to decide whether most reliance is to be placed upon that result, exhibited too at a time I now refer to 1783) when the Company's accounts were subjected to the most rigid, I might almost say suspicious scrutiny by some of the most clear-sighted statesmen of the day, including the late Mr. Fox; or upon accounts furnished after the lapse of half a century, by an unofficial and irresponsible individual, and prepared from documents which were all before Parliament when the result which I have stated was declared.

4445. What is the difference between the result of your statement from 1768 to 1780, and that of Mr Langton, as respects the first period?—My statement, that in 1780, £3,616,000 remained due to the Commerce besides interest, for sums expended in the wars, was founded upon the fact of that expenditure having in 1765 amounted to £5,069,684, as stated in the Report already quoted from the Journals (12th March 1783). The question between Mr. Langton and me respects the amount yielded towards the reimbursement of this sum from 1765 to 1780. I say that, according to the accounts admitted by a Committee of the House of Commons, the amount was
£1,453,684

£1,453,684; Mr. Langton says that it was £6,115,979. The difference between us is therefore £4,662,295.

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1146. Can you give any explanation of the causes of that difference?—In the first place Mr. Langton has totally omitted the *home charges*, which amounted to £706,514. Now this is a remarkable omission, because the Committee of Secrecy, to whose reports and documents Mr. Langton thinks I might have had recourse, state in their Third Report, 9th February 1773, p. 72. “Several articles of expense which ought to be charged to the account of the territorial acquisitions are involved in the expenses incident to the commerce of the Company, and to the general management of their affairs at home.” The Committee then enumerate several such items. Now, supposing Mr. Langton to have overlooked this passage, yet the very accounts to which he refers, and which he produced, page 252*, as copies of those from which he supposed my statement to have been taken, show, upon the face of them, that an expense had been incurred “for raising and transporting troops for the defence of the territories, with other charges not relating to commerce, paid here.” The effect of this omission of Mr. Langton is, that he saddles the trade with such things as these: “£30,000 to Sir J. Cornish and Colonel Eyre Coote, for naval and military stores taken at Pondicherry, to be by them distributed; £31,974 to the Board of Ordnance for stores delivered in India; £10,000 to each of the three supervisors,” and many others with which I will not trouble the Committee, but which are enumerated by the Committee of Secrecy in 1773. Then Mr. Langton has omitted the *payments to government* of £2,169,398, upon the ground (*vide* Q. 2880) “that it would be unjust to claim as a debt from the territory the amount paid to Government for permission to appropriate the surplus territorial revenue.” To this opinion of Mr. Langton it might be sufficient for me merely to oppose the Report of the Committee of 1783 already referred to, who, as a matter of course, deducted the payments to Government from the sums remitted to the Company; but I would remind the Committee that this arrangement of participation, as it was called, arose out of a claim on the part of the public to all the territory, which it was fondly hoped would prove an inexhaustible mine of wealth; that claim was compromised for a sum of £400,000 per annum; but that this was to come out of the revenue is perfectly clear from the Act 7 Geo. III, c. 57, which ratified the agreement, and which provided, that if the Company should be dispossessed by any foreign power of the territory, or any part, the £400,000 should be reduced in such proportion as the net income of the territory lost should bear to the net income of all the territory: and when the golden dreams of a rich harvest from the new acquisitions were dissipated, and Parliament had to suspend the obligation imposed upon the Company, they, in the Act 13 Geo. III, c. 64, s. 13, treated the arrangement as one of “participation in the profits arising (not from trade but) “from the territorial acquisitions and revenues lately obtained in the East Indies;” and the Select Committee of 1783, in their Ninth Report,

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thus expressed themselves regarding the same arrangement: "Government also thought they could not be too early in their claims for a share of what they considered themselves as entitled to in every foreign acquisition made by the power of this kingdom, through whatever hand or by whatever means it was made." It therefore seems to me to be quite preposterous, at this time of day, to consider that which Parliament declared should come out of the territorial revenue to be a charge upon the Company's trade.

The third mistake that Mr. Langton has made, is, that he has charged the trade with the whole amount of *losses by batta or exchange*, which must principally have accrued to the territory in the collection of its revenue, owing to the state of the coinage at that time. I am aware that Mr. Langton has also credited the commerce with gains in batta and on European goods; but that the larger portion of that was commercial will be apparent to the Committee if they will turn to the Account (page 252*) which shows a profit upon exports of £1,140,424; with which sum at the least, I conceive, commerce should have been credited, instead of with that of £5,275, the difference between Mr. Langton's debits and credits under this head.

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4447. Do you conceive that the explanations you have now given account sufficiently for the discrepancy between your result and that of Mr. Langton?—I do; I have little doubt that if it were practicable accurately to correct the several items in Mr. Langton's account which I have enumerated, and to adjust the difference of period, the result would be the same as mine, and what Parliament has admitted, namely that in 1780 the sum of £3,616,000, besides interest, remained due to the Company on account of the wars.

4448. Was not the Company's commerce relieved in 1765 from a heavy charge which it had previously incurred for maintaining forts in India?—Previously to 1765, the ordinary expense of the Indian settlements, beyond the revenues they produced, was defrayed by the commerce; the average of that expense appears by the accounts before the Committee to have been comprised in the sum of £121,229 per annum. Since 1765, the commerce has been charged only with expenses strictly commercial. The territory has been charged with the political expenses. On the one hand, undoubtedly, the commerce was relieved, but, on the other hand, the territory has paid nothing to the commerce for the use of the sums previously expended in the acquisition of the territory, and commerce was only enabled to lend and continue on loan to the territory those sums, by disposing, in 1765, of a large part, and subsequently mortgaging to the Bank the remainder, of that portion of their commercial property denominated the East India Annuities, whereby the Company, as a commercial body, sustained a positive loss of income amounting to £121,773 per annum, besides the continued charge of interest on the Home Bond Debt, which might have been otherwise paid off out of their profits. I consider, therefore, that the territory derived more advantage than the commerce from the alteration which took place in 1765,
and

and that the commerce has since borne every charge necessary for the carrying on of trade.

4449. From what document does that loss of £121,773 appear?—It may be deduced from accounts which have from time to time been laid before Parliament; indeed the sale of the annuities is adverted to in the Fourth Report, page 432; but the fact can be clearly shewn in any shape in which the Committee may be pleased to call for the information.

4450. Has any computation been made of how the account would stand, supposing the trade to be charged with the £121,229 per annum, on account of the settlements in India, and charging the territory with interest from year to year on its unliquidated debt?—In consequence of Mr. Langton's observation (Q. 2889) that a huge sum of many millions would have been saved to the territory if the accounts had been correctly stated, I have caused a computation to be made of how the account would stand, supposing on the one hand a charge of interest to have been made from the first at the rate of five per cent. per annum in the transactions between territory and trade; and supposing, on the other hand, the trade to be charged with the full amount of £121,229 per annum as the expence of maintaining the settlements abroad; this Account is continued until 1814, and shows a balance then due to the commerce of more than eighty millions.

[*The Witness delivered in the Account, which was read, and is as follows; viz.*]

STATEMENT of the Amount which the outlay furnished from the Commercial Funds of the East-India Company, on account of the Indian Territory, with Interest charged thereon at 5 per cent. per Annum, would have reached in the four several periods from 1751 to 1766, from 1766 to 1780, from 1780 to 1793, and from 1793 to 1814, after allowing for the Amount of all Returns made by the Territory to Commerce, and calculating the Commerce as chargeable, through those several periods, with the full Expenditure of £121,229 sustained by the Company in their purely Commercial character, previously to the state of circumstances which led to the acquisition of the Territory, beyond the Charge subsequently borne by the Commerce for Establishments expressly Commercial.

		£.			£.
1751-52	Imports deficient ..	396,753.	Amount of Annual Charge of £121,229 (with accruing Interest).		
	1 Year's Interest } at 5 per cent. }	19,837.65			
1752-53	.. .. .	444,026.			
		860,616.65	1st year	.. ..	121,229.
	Interest ..	43,030.83		Interest ..	6,061.45
1753-54	.. .. .	818,973.	2d	.. ..	121,229.
		1,722,620.48			248,519.45
	Interest ..	86,131.02		Interest ..	12,425.97
1754-55	761,314.	3d	121,229.
	Carried forward ..	2,570,065.50		Carried forward ..	382,174.42

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		£.
	Brought forward ..	2,570,065.50
	Interest ..	128,503.27
1755-56	568,968.
		3,267,536.77
	Interest ..	163,376.84
1756-57	.. ..	250,398.
		3,681,311.61
	Interest ..	184,065.58
1757-58	.. ..	437,273.
		4,302,650.19
	Interest ..	215,132.51
1758-59	.. ..	1,075,194.
		5,592,976.70
	Interest ..	279,648.83
1759-60	.. ..	858,618.
		6,731,243.53
	Interest ..	336,562.17
1760-61	.. ..	171,619.
		7,239,424.70
	Interest ..	361,971.23
1761-62	.. ..	271,926.
		7,873,321.93
	Interest ..	393,666.09
1762-63	.. ..	432,166.
		8,699,154.02
	Interest ..	434,957.70
1763-64	.. ..	191,808.
		9,325,919.72
	Interest ..	466,295.98
1764-65 Imports exceed	..	9,792,215.70
		1,465.
		9,790,750.70
	Interest ..	489,537.53
1765-66 Imports deficient	..	210,553.
		10,490,841.23
Deduct,		
As per separate calculation,		
amount of annual charge of		
£121,229 per annum, with		
accruing Interest, supposed		
to be borne by Commerce for		
the 15 years		2,615,947.60
Net		£7,874,893.63

		£.
	Brought forward ..	382,174.42
	Interest ..	19,108.72
4th	.. ..	121,229.
		522,512.14
	Interest ..	26,125.60
5th	.. ..	121,229.
		669,866.74
	Interest ..	33,493.33
6th	.. ..	121,229.
		824,589.07
	Interest ..	41,229.45
7th	.. ..	121,229.
		987,047.52
	Interest ..	49,352.37
8th	.. ..	121,229.
		1,157,628.89
	Interest ..	57,881.44
9th	.. ..	121,229.
		1,336,739.33
	Interest ..	66,836.96
10th	.. ..	121,229.
		1,524,805.29
	Interest ..	76,240.26
11th	.. ..	121,229.
		1,722,274.55
	Interest ..	86,113.72
12th	.. ..	121,229.
		1,929,617.27
	Interest ..	96,480.86
13th	.. ..	121,229.
		2,147,327.13
	Interest ..	107,366.35
14th	.. ..	121,229.
		2,375,922.48
	Interest ..	118,796.12
15th	.. ..	121,229.
15 Years	..	£2,615,947.60

SELECT COMMITTEE OF THE HOUSE OF COMMONS. 653

	£.	
Brought forward ..	7,874,893 ·63	
Interest ..	393,744 ·68	
1766-67 Imports deficient ..	251,226 ·	
	8,519,864 ·31	
Interest ..	425,993 ·21	
	8,945,857 ·52	
1767-68 Imports exceed ..	148,706 ·	
	8,797,151 ·52	
Interest ..	439,857 ·57	
1768-69	£. 9,237,009 ·09	
Paid Government, 400,000 }	70,772 ·	
Imports exceed, 470,772 }		
	9,166,237 ·09	
Interest ..	458,311 ·85	
1769-70	£. 9,624,548 ·94	
Paid Government, 400,000 }	371,426 ·	
Imports exceed, 771,426 }		
	9,253,122 ·94	
Interest ..	462,656 ·14	
1770-71	£.	
Paid Government, 400,000 }	381,088 ·	
Imports exceed, 18,912 }		
	10,096,867 ·08	
Interest ..	504,843 ·35	
1771-72	£.	
Paid Government, 400,000 }	1,210,585 ·	
Imports deficient, 810,585 }		
	11,812,295 ·43	
Interest ..	590,614 ·77	
1772-73	£. 12,402,910 ·20	
Imports exceed, 371,991 }	171,991 ·	
Government .. 200,000 }		
	12,230,919 ·20	
Interest ..	611,545 ·96	
1773-74	£.	
Imports deficient, 20,881 }	274,660 ·	
Government .. 253,779 }		
	13,117,125 ·16	
Interest ..	655,856 ·25	
1774-75	£. 13,772,981 ·41	
Imports exceed, 590,335 }	474,716 ·	
Government .. 115,619 }		
Carried forward ..	13,298,265 ·41	

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	£.
Brought forward ..	13,298,265 ·41
Interest ..	664,913 ·27
	<hr/>
1775-76 Imports exceed ..	13,963,178 ·68
	428,061 ·
	<hr/>
Interest ..	13,535,117 ·68
	676,755 ·88
	<hr/>
1776-77 Ditto	14,211,873 ·56
	331,893 ·
	<hr/>
Interest ..	13,879,980 ·56
	693,999 ·02
	<hr/>
1777-78 Ditto	14,573,979 ·58
	581,735 ·
	<hr/>
Interest ..	13,992,244 ·58
	699,612 ·22
	<hr/>
1778-79 Ditto	14,691,856 ·80
	639,108 ·
	<hr/>
Interest ..	14,052,748 ·80
	702,637 ·44
	<hr/>
1779-80 Ditto	14,755,386 ·24
	352,722 ·
	<hr/>
	14,402,664 ·24
Less,	
Annual charge of £121,229 } for 14 years, with interest }	2,375,922 ·48
	<hr/>
Interest ..	12,026,741 ·76
	601,337 ·08
	<hr/>
1780-81 Imports exceed ..	12,628,078 ·84
	112,368 ·
	<hr/>
Interest ..	12,515,710 ·84
	625,785 ·54
1781-82 Imports deficient ..	1,579,599 ·
	<hr/>
Interest ..	14,721,095 ·38
	736,054 ·76
1782-83 Ditto	1,545,699 ·
	<hr/>
Interest ..	17,002,849 ·14
	850,142 ·45
	<hr/>
1783-84 Imports exceed ..	17,852,991 ·59
	77,149 ·
	<hr/>
Carried forward ..	17,775,842 ·59

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	£.
Brought forward ..	17,775,842 ·59
Interest ..	888,792 ·12
1784-85 Imports deficient ..	452,397 ·
	<hr/>
	19,117,031 ·71
Interest ..	955,851 ·58
	<hr/>
	20,072,883 ·29
1785-86 Imports exceed ..	101,630 ·
	<hr/>
	19,971,253 ·29
Interest ..	998,562 ·66
1786-87 Imports deficient ..	773,368 ·
	<hr/>
	21,743,183 ·95
Interest ..	1,087,159 ·19
1787-88 Ditto ..	149,284 ·
	<hr/>
	22,979,627 ·14
Interest ..	1,148,981 ·35
1788-89 Ditto ..	568,819 ·
	<hr/>
	24,697,427 ·49
Interest ..	1,234,871 ·37
1789-90 Ditto ..	271,037 ·
	<hr/>
	26,203,335 ·86
Interest ..	1,310,166 ·79
1790-91 Ditto ..	639,681 ·
	<hr/>
	28,153,183 ·65
Interest ..	1,407,659 ·18
1791-92 Ditto ..	584,251 ·
	<hr/>
	30,145,093 ·83
Interest ..	1,507,254 ·69
1792-93 Ditto ..	37,571 ·
	<hr/>
Add,	31,689,919 ·52
Decrease of commercial property from 1779-80 to 1792-93, with interest, as per Contra }	695,506 ·93
	<hr/>
Deduct,	32,385,426 ·45
Annual charge of £121,229 for 13 years, with interest .. }	2,147,327 ·13
	<hr/>
	30,238,099 ·32
Interest ..	1,511,904 ·96
	<hr/>
	31,750,004 ·28
1793-94 Imports exceed ..	127,538 ·
	<hr/>
	31,622,466 ·28
Interest ..	1,581,123 ·31
	<hr/>
Carried forward .	33,203,589 ·59

Decrease of Commercial Property, 1780 to 1793 .. } £518,998

Interest calculated for half the period on the total sum, say from 1786-87.

(Assuming the decrease to have been uniform in the period of the calculation, as the actual periods of such decrease cannot readily be arrived at.)

1786-87 ..	..	..	518,998 ·
	Interest ..		25,949 ·90
1787-88 ..	..	..	544,947 ·90
	Interest ..		27,247 ·39
1788-89 ..	..	..	572,195 ·29
	Interest ..		28,609 ·76
1789-90 ..	..	..	600,805 ·05
	Interest ..		30,040 ·25
1790-91	630,845 ·30
	Interest ..		31,542 ·26
1791-92	662,387 ·56
	Interest ..		33,119 ·37
1792-93	£695,506 ·93

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		£.
	Brought forward ..	33,203,589.59
1794-95	Imports exceed ..	133,418.
		<hr/>
	Interest ..	33,070,171.59
		1,653,508.57
		<hr/>
1795-96	Ditto	34,723,680.16
		329,142.
		<hr/>
	Interest ..	34,394,538.16
1796-97	Imports deficient ..	1,719,726.90
		236,978.
		<hr/>
	Interest ..	36,351,243.06
		1,817,562.15
		<hr/>
1797-98	Imports exceed ..	38,168,805.21
		1,713,121.
		<hr/>
	Interest ..	36,455,684.21
1798-99	Imports deficient ..	1,822,784.21
		54,341.
		<hr/>
	Interest ..	38,332,809.42
1799-1800	Ditto	1,916,640.47
		384,014.
		<hr/>
	Interest ..	40,633,463.89
		2,031,673.19
		<hr/>
1800-1801	Imports exceed ..	42,665,137.08
		325,136.
		<hr/>
	Interest ..	42,340,001.08
1801-2	Imports deficient ..	2,117,000.05
		1,078,827.
		<hr/>
	Interest ..	45,535,828.13
1802-3	Ditto	2,276,791.40
		143,928.
		<hr/>
	Interest ..	47,956,547.53
		2,397,827.37
		<hr/>
1803-4	Imports exceed ..	50,354,374.90
		1,228.
		<hr/>
	Interest ..	50,353,146.90
1804-5	Imports deficient ..	2,517,657.34
		36,654.
		<hr/>
	Interest ..	52,907,458.24
1805-6	Ditto	2,645,372.91
		1,444,170.
		<hr/>
	Carried forward ..	56,997,001.15

£.

Increase of Commercial Pro- }
 perty, 1793-94 to 1813-14 } £1,890,860

(Allowing as a Credit Interest thereon for half the period, as the actual periods of Increase cannot readily be arrived at.)

		£.
1803-4	.. ..	1,890,860.
	Interest ..	94,543.
		<hr/>
1804-5	.. ..	1,985,403.
	Interest ..	99,270.15
		<hr/>
1805-6	.. ..	2,084,673.15
	Interest ..	104,233.65
		<hr/>
1806-7	(Carried forward)	2,188,906.80

SELECT COMMITTEE OF THE HOUSE OF COMMONS. 657

		£.
Brought forward ..		56,997,001 ·15
Interest ..		2,849,850 ·05
1806-7 Imports deficient ..		242,320 ·
		<u>60,089,171 ·20</u>
1807-8 Ditto ..	Interest ..	3,004,458 ·56
		<u>1,665,662 ·</u>
		64,759,291 ·76
1808-9 Ditto ..	Interest ..	3,237,964 ·58
		<u>1,726,837 ·</u>
		69,724,093 ·34
1809-10 Ditto ..	Interest ..	3,486,204 ·66
		<u>3,725,850 ·</u>
		76,936,148 ·00
1810-11 Ditto ..	Interest ..	3,846,807 ·40
		<u>1,022,305 ·</u>
		81,805,260 ·40
1811-12 Ditto ..	Interest ..	4,090,263 ·02
		<u>835,441 ·</u>
		86,730,964 ·42
	Interest ..	<u>4,336,548 ·22</u>
1812-13 Imports exceed ..		91,067,512 ·64
		<u>4,227,271 ·</u>
		86,840,241 ·64
	Interest ..	<u>4,342,012,08</u>
		91,182,253 ·72
1813-14 Ditto ..		<u>2,250 ·236 ·</u>
		£. 88,932,017 ·72
Less,		
Increase of Commercial Property, with Interest, 1793-4 to 1813-14 ..		£3,080,011 ·65
Charge of,		
£121,229 for 21		
years	4,330,209 ·03	
		<u>7,410,220 ·68</u>
Aggregate Amount of the Outlay from Commercial Funds on account of the Territory with accruing Interest to 1st May 1814.....		81,521,797 ·04
The accruing Interest on this sum calculated to 1st May 1831, would carry the Total Amount to.....		£186,849,452 ·03

		£.
Brought forward ..		2,188,906 ·80
Interest ..		<u>109,445 ·34</u>
1807-8 ..		2,298,352 ·14
	Interest ..	<u>114,917 ·60</u>
1808-9 ..		2,413,269 ·74
	Interest ..	<u>120,663 ·48</u>
1809-10 ..		2,533,933 ·22
	Interest ..	<u>126,696 ·66</u>
1810-11 ..		2,660,629 ·88
	Interest ..	<u>133,031 ·49</u>
1811-12 ..		2,793,661 ·37
	Interest ..	<u>139,683 ·06</u>
1812-13 ..		2,933,344 ·43
	Interest ..	<u>146,667 ·22</u>
1813-14 ..		£3,080,011 ·65
Charge of £121,229 per annum for 21 years.		
Amount for 15 years brought forward		2,615,947 ·60
	Interest ..	<u>130,797 ·38</u>
		121,229 ·
16 years ..		2,867,973 ·98
	Interest ..	<u>143,398 ·69</u>
		121,229 ·
17 years ..		3,132,601 ·67
	Interest ..	<u>156,630 ·08</u>
		121,229 ·
18 years ..		3,410,460 ·75
	Interest ..	<u>170,523 ·03</u>
		121,229 ·
19 years ..		3,702,212 ·78
	Interest ..	<u>185,110 ·63</u>
		121,229 ·
20 years ..		4,008,552 ·41
	Interest ..	<u>200,427 ·62</u>
		121,229 ·
21 years ..		£4,330,209 ·03

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East-India House, }
29th August 1831 }

(Errors excepted.)

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4451. Are the Committee to conclude, from what you have stated, that you do not concur in Mr. Langton's opinion that the commerce should be charged with the interest upon a debt of £561,387 said to have existed in India in 1765?—I do not concur in that opinion. No doubt there was some debt existing in India in 1765, but the war having caused it, it was clearly of a territorial character. But, independently of this, Mr. Langton, whilst he throws the debt upon the trade, gives no credit for the territorial assets at that time, and which were much more in amount than the debt. Surely, if the commerce be saddled with the debt, because it existed in 1765, the commerce must have credit for the assets which then remained.

4452. Of what did these assets consist?—Of cash and bills, and stores, and various territorial assets.

4453. Are not the assets, the cash, bills and stores, included in the annual balance-sheet of the accounts of India?—They are included in the Indian accounts, but Mr. Langton makes no allowance for them in speaking of the debt in 1765.

4454. Have you examined the account to see what was the amount of assets at that time to be set against the debt?—I have cursorily examined the books, and satisfied myself that the assets greatly exceeded the debt.

4455. Have you referred to those accounts from which Mr. Langton purported to have taken his statements; and do those accounts contain any such statements of assets to which you now allude?—I am not aware that there are; but the least consideration might have satisfied Mr. Langton that there must have been assets. The government of India could not be carried on without available means.

4456. Are you aware that in any of the papers laid before Parliament to which Mr. Langton has access, he could have discovered the amount of those assets which you think might fairly be set against the balance of the debt?—I am not aware that there is any paper before Parliament from which he could have deduced the precise amount of the assets, although the fact of their existence is evident from the investigations of the Committee of 1772; besides which, as it was clear from the investigations of the Committee of 1811, that there were assets of that description to be accounted for in a subsequent period, I think the fair inference to an accountant would have been, that there was a deficiency to be supplied as respects the assets in 1765.

4457. As to the amount, had he any ground for ascertaining whether it was half a million or two millions?—I am not aware that he had, but he might have suspended his conclusion, that the debt in 1765 was commercial, until he had ascertained the fact.

4458. With respect to the second period, from 1780 to 1793, Mr. Langton, whilst admitting the deficiency of information, draws an inference in favour of the territorial finances of that period from the fact that the territorial

torial revenue was productive to the commerce in the years preceding 1780, and that the Select Committee, in their Second Report, had alluded to the productiveness of that revenue from 1792-93 to 1802-3. Have you any remark to make upon that part of Mr Langton's evidence?—I have. Mr. Langton's inference seems to be this: he says previously to 1780 the Indian finances were prosperous, and that after 1793 the Committee of the House of Commons show that they were also prosperous; therefore he infers that there could not have been any great deficiency in the intermediate period. Now the Committee will remember that in the year 1780 the war with Hyder broke out, which explains the cause of the deterioration in the finances compared with the antecedent period. The Committee are also aware that the war with Tippoo concluded in 1792, and this accounts for the subsequent improvement in the finances; but that improvement was not to the extent supposed by Mr. Langton, who relies on the statements of the Committee, that from 1792-93 to 1802-3 the revenues of India were "more than sufficient to pay every expense of administration and government, and the interest of the debts, by a sum of £3,734,445." Now the Report from which Mr. Langton quotes this is expressly confined to the finances of the local administration in India, and is therefore exclusive of the home territorial charges, which, if the Committee will refer to Appendix 46 of the Third Report, they will see must have amounted for the period in question to more than £3,000,000, exclusive of the charge incurred in England for King's troops serving in India, amounting to more than £1,500,000, which was adjusted in account with the King's Government. The Committee will therefore see, that although in a few of the years immediately succeeding the peace of 1792, there may have been comparative financial prosperity, there is no foundation for the statement that the revenues of India, during the whole period from 1792-93 to 1802-3, were in a flourishing condition.

4459. Will you state in what account now before Parliament those items of home charges have been incorporated with the account to which Mr. Langton referred, so as to show in that account generally the deficiency which you now mention?—In Appendix 51 to the Fourth Report.

4460. Is there any account made up in which the home charges are added to the charges in India, and a general balance drawn?—Yes. The Committee of the House of Commons incorporated the home charges in the account to which I have referred in my last answer.

4461. In the statement given by Mr. Langton of the ordinary and extraordinary receipts of the Indian treasuries, those expenses are included, are they not?—Yes; Mr. Langton includes them in his statement of the finances for the last period, but he makes no allowance for them in the inference which he draws regarding the comparative productiveness of the revenue.

4462. Do you suppose that the Committee in that Report did not take into account the territorial expenses incurred and to be paid in England?—

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Clearly not in their Second Report, because the £3,734,445 is deduced from the Indian view only.

4463. Mr. Langton also refers to the period in question as one of extraordinary prosperity, and one generally of peace, from which he draws an inference opposed to your account that the commerce had assisted the territory in that period. What have you to say to that?—Upon all that, I must take the liberty of saying that Mr. Langton is totally mistaken. Need I remind this Committee that, in the period from 1780 to 1784, the Company were engaged in most expensive wars. If Mr. Langton had read the Report of the Committee of Secrecy in 1782, he would have seen how the Company's finances were harassed at the commencement of this time. "And your Committee find" (say they in their Sixth Report), "that when the calamities of war had spread themselves still wider, and with greater ruin, over the Company's possessions, it became expedient to propose the taking up money at interest, to supply the increasing necessities of government. The effects of the extensive scene of warfare were at this time most severely felt, and in addition to the necessity of borrowing money at interest, by which the sum of rupees 64,44,661 had been raised, the alarming expedient of making a large reduction, or possibly a total suspension of the Company's investment for the ensuing year, seem to be inevitable." And even so late as 1811, the Select Committee in their Third Report (page 370) say, "The effects of the war which ended in 1783 were particularly prejudicial to the financial system of India. The revenues had been absorbed, the pay and allowances of both the civil and military branches of the service were greatly in arrear, the credit of the Company was extremely depressed, and added to all, the whole system had fallen into such irregularity and confusion, that the real state of affairs could not be accurately ascertained till the conclusion of the year 1785-86. But it must be unnecessary for me to multiply proofs as to the expensiveness of the period from 1780 to 1784. From 1784 to 1789 there was the continued apprehension of war; Tippoo had been repelled, but he had not been altogether destroyed, and if Mr. Langton had referred to Mr. Dundas's parliamentary speeches upon the Indian finances, he might have seen how mistaken he was in supposing that even this period was one of financial prosperity. Mr. Dundas said in 1789, "The Committee will recollect that the beginning of the year 1788 was the time when the accounts were received in India of the expected rupture with France, when, in consequence of the orders from England, Sir Archibald Campbell prepared, and was actually in readiness on a moment's warning to take the field with an army sufficient to act with effect, both against our native and European enemies. Every department of the Indian government had been so deranged in consequence of the war, that it was impossible immediately to get at the bottom of their affairs; daily calls of heavy arrears and unliquidated demands disturbed every system which could be formed for the regulation either of commerce or finance." In fact the military establishments, King's and Company's, were at that period augmented, thereby occasioning

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occasioning a large increase to the financial burdens of India. With respect to the remainder of the period, *viz.* from 1789 to 1792, Mr. Langton refers to the war with Tippoo, which then prevailed; but he thinks that the financial pressure consequent thereupon could not have been great, since, at the conclusion of the war, Tippoo bound himself to pay a large sum as a part of the expenses. The Committee will see that Mr. Langton's last year in this stage, is 1791-92; the treaty with Tippoo was not concluded until February 1792, and the Parliamentary accounts show that a large portion of the money from Tippoo, and the whole of the revenues from his new cessions, came into account in the subsequent period, and to that extent affected the comparison quite the other way from that supposed by Mr. Langton. On the whole, I am astonished to find that any man can describe the period as one "little disturbed by untoward events." We had war with Hyder, war with the Mahrattas; the war with the French and Dutch upon Indian ground; then a few years of peace, far from undisturbed, affairs calling for continued preparation for war, and finally war with Tippoo. Instead of being surprised, as Mr. Langton expresses himself to be in reference to history, that the finances of India should have proved deficient to the amount I have stated, the Committee must, I think, see that it is altogether incredible that they could have been in the state shown by Mr. Langton in his accounts.

4464. As Mr. Langton reasons as to the expense of one period from a want of documents, would it not have been by far the simplest method to have drawn up the actual account of receipts and expenditure during those years, as a better means of enabling this Committee to judge, than speeches by Mr. Dundas or any other man in the House of Commons, or any where else, and could not that now be done?—I did not consider myself called upon to prepare financial statements in consequence of the accounts of Mr. Langton, unless the Committee had been pleased to order them; but as Mr. Langton has supported his views of Indian finance by reasoning from the history of the times, I have thought it necessary, in answer to the question put to me, to show that that reasoning is unfounded.

4465. Are there any documents before Parliament which would enable this Committee to form a correct estimate with reference to the real state of the finances of India at that period?—I do not think there are. The account which has been lately produced shows the transactions between the territory and the trade for the whole period.

4466. Will the Return to which you have now referred, delivered in on the 25th of August, supply the deficiency in the accounts during the period alluded to?—It will depend upon the judgment of the Committee how far the deficiency is sufficiently supplied. The account in question is a complete statement of the transactions between the territory and the trade in the three periods, including, of course, that from 1780 to 1793.

4467. It is stated to be an estimate; are the Committee to understand that

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that it is an actual account of the payments made, and not an estimate?—An account deduced from actual payments; it is called “an estimate,” because in my evidence I so characterized it, and the same term has been used in the order for its production.

4468. What is the difference between your result and that of Mr. Langton for the period in question?—Mr. Langton, so far as respects the revenues and charges of India, omits two years, as I have explained. In his eleven years he shows a surplus receipt in India of £1,898,188. In my thirteen years I shew that trade aided the territory in the sum of £6,829,557. The difference between us, therefore, is £8,727,745.

4469. Can you give any explanation of the cause of the difference?—The *home charges* are short-stated by Mr. Langton, who takes them upon estimates founded on the amount incurred for them in 1793-4, which was an unusually small year of expenditure. Mr. Langton takes £171,392 a year as the average of the home charges, or for the eleven years £1,885,312. The real amount included in my result, and particularized in the estimate lately laid before the Committee, is £5,373,302. Here is a difference of £3,484,990. To give an example with respect to these home charges, the passage of military, and supplies to them on the voyage, which are cash disbursements, Mr. Langton takes at £27,462 annually, because he finds that to have been the expenditure in 1793-4. The expenditure was actually at the rate of £68,419 per annum.

Mr. Langton makes no allowance for the *increase of territorial assets* in this period: he says, territory has received so much, and territory has expended so much, and therefore commerce must have had the remainder, apparently forgetting, (though it is singular that he should forget it, because in his last period he allows for a similar adjustment) that part of what the territory had received remained available in India: such was the fact. The increase of cash, good bills, and other assets, in 1793, as compared with 1780, was £2,161,329.

Then Mr. Langton makes no allowance whatever for *sums written off and adjustments*, although by an account ordered by the House of Commons to be printed on the 4th February 1793, it appears that a sum of £776,807 applicable to this second period, was written off, and on reference to a series of stock per computation accounts for the same period, it will be seen, that a considerable amount of debt from the Nabob remained for future adjustment.

But further, Mr. Langton says the *increase of debt* was £5,747,350; and if the Committee will be pleased to refer to his statement, they will see that he has given the increase of debt between 1780 and 1792, and the Indian accounts only from 1781 to 1792. According to the accounts before Parliament and explained by Mr. Dundas, the debt of India amounted in 1793, to £6,322,929, and in 1780, according to Mr. Langton's statement, to £1,720,626. The increase, therefore, was £4,532,303, being £1,215,047 less than Mr. Langton has stated. I am aware that this arises from the difference of period, debt having been discharged in 1792-3. But then Mr. Langton has left out the result of the Indian finances in 1780-1, in which there was a serious deficit and

and a large amount of debt incurred. He makes commerce answerable for the debt, but leaves it uncredited with the deficit. 30 Aug. 1831.

Finally, Mr. Langton, if he had referred to the accounts printed in 1787, would have found it stated upon many of them that, owing to the embarrassed circumstances in which the affairs of India then were, there were *omissions in the charges*. For instance, in an account of the revenues of Madras, from 1782-3 to 1784-5, there is this note: "The above may not be considered as the whole of the military charges, as the accounts could not be made up complete for want of the books: the peishcush for the circars is not included." My conviction is, that these several causes are sufficient to account for all the differences between Mr. Langton's statement and mine, supposing his figures to be in other respects correct.

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4470. Do those items which you have mentioned include all the accounts written off, or can you state the aggregate amount of accounts written off in this period to account for the difference?—I am not aware that any other sums were ordered to be written off in the period in question than those to which I have referred.

4471. You say that no credit has been given for the assets in India; do you mean money laid out in fortification, or what?—Cash, good bills, and other available assets. Dead stock is not included. As the affairs of the Indian government grew in extent, an increase of cash balance became necessary; where one million was a sufficient resource in the early period of the Company in India, three millions became necessary as their territories were extended.

4472. Can you state what was the increase of assets between the commencement and the termination of this period to which you have alluded?—It was £2,161,329.

4473. Did the increase of the assets appear upon the annual accounts?—There were no regular annual accounts laid before Parliament till 1789, when the Indian budgets commenced; I do not apprehend that there were statements from which Mr. Langton could have deduced this precise sum.

4474. Does that increase arise entirely from those particular items you have mentioned?—Entirely.

4475. You have made no computation of the dead stock?—None.

4476. You stated that the sum advanced from commerce to territory for the period in question was £6,800,000; is it not the fact that in the year 1783 the Company were in considerable commercial difficulties?—Whatever commercial difficulties they may have been in were produced, as Parliament declared to have been the case, by reason of the wars.

4477. Were not the investments in India provided for about that period by means of loans?—I am not prepared to say that loans have never been contracted in India for the purpose of supplying investments; but the produce of all such investments being required to defray the territorial payments in

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in England, and having been so applied, any money which the territory might have borrowed to purchase the investment was nothing more than a debt contracted for a territorial purpose.

4478. Was it not the fact that for three years the investments were provided through the medium of loans?—I am not aware of that fact, but if the years referred to are 1780 to 1783, the wars which then prevailed account for the inability of India to provide for the home territorial payments in any other mode than by borrowing or drawing upon England.

4479. Can you state what was the annual amount of the Company's commercial capital about that period?—I am not prepared with that information; it can be furnished if the Committee desire it. The capital was increased during this second period (1780 to 1793) and again in 1798, and a large portion of that subscribed in 1793 was stated by Mr. Dundas to have been applied in the liquidation of Indian debt.

4480. Must not the India trade have been an exceedingly beneficial one in the period alluded to, being one that enabled a sum of upwards of £6,800,000 to be applied from commerce to some other purposes?—I have no doubt there were profits from the Company's trade, but there was an increase of capital during that period, and an issue of bonds.

4481. Did the Company's trade at that time pay customs to the territory?—No; the Company obtained, by grant from the Mogul, a remission of all customs and other duties, and it was not till the Act of 1813 that those duties were imposed upon the Company's trade.

4482. Were the profits arising from salt and opium credited to the trade?—They were all credited to the territory, but the charge of the salt and opium board, until 1814, was borne by the trade, having merged in the charge of the Board of Trade.

4483. From what period have those profits been credited to the territory?—They have always been so credited.

4484. Supposing the territory had been credited with the duties and customs in that period, are you prepared to state what would have been the difference?—I think that the average of duties and customs in India upon the Company's trade since 1814 has been about £47,000 a year.

4485. In the Ninth Report, p. 57, it is stated that the net revenues were diminished by the mere accumulation of interest accruing on account of investments; how can you reconcile that with there being a surplus from commerce?—The surplus from commerce, as has been repeatedly observed, had long been applied in aid of the territory; the territory was, in consequence, largely indebted to the trade, and therefore what it borrowed upon the occasion referred to was, so far as commerce was concerned, merely to discharge a debt.

4486. It appears that, in 1780, £700,000 was borrowed to purchase investments in India. By another Report it appears that £900,000 was
borrowed

borrowed to purchase investments in 1781, and that £800,000 was borrowed to purchase investments in 1782. Do you consider that those sums were borrowed merely to make payments in England on account of the territory?—To the best of my recollection the necessity for borrowing in India at the period referred to, arose from the wars in which we were then engaged; and, indeed, I have to-day quoted from the Secret Committee of 1782 to show that the pressure on the finances was such as to induce an intention of stopping the investment.

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4487. Did the payments on account of the territory amount to those sums?—That will appear by the estimate lately laid before this Committee. But even supposing the amount in those particular years not to have equalled the amount returned by India, yet there was a large arrear due to commerce, owing to short returns from territory in antecedent years.

4488. Do you consider that, upon reference to the general reasoning of the Select Committee in 1782, you are warranted in considering that they attribute the origin of the debt to the territory, and not to the trade?—I will not venture to construe the views of that Committee, nor is it necessary to do so, as I have already shown that Parliament, with the Report upon their table, pronounced the debt to be territorial. If I remember right, the Ninth Report was applicable to a particular period, and showed the delusive and dangerous nature of the expectations of a rich harvest to the public and the Company from the Dewannee.

4489. In the Ninth Report it is stated, “When an account is taken of the intercourse (for it is not commerce), which is carried on between Bengal and England, the pernicious effects of the system of investment from revenue will appear in the strongest point of view: in that view the whole exported produce of the country (so far as the Company is concerned) is not exchanged in the course of barter, but is taken away without any return or payment whatsoever. In a commercial, light therefore, England becomes annually bankrupt to Bengal to the amount nearly of its dealing, or rather the country has suffered what is tantamount to an annual plunder of its manufactures and its produce, to the value of £1,200,000.” What conclusion do you come to from that extract, if it is not that the commerce had been injurious instead of beneficial?—I have never heard the fact denied, that immediately after 1765 the demand for remittances from India was excessive; but it is also the fact, that the produce was applied to pay to the public £400,000 a year, and the remainder to reimburse, so far as it would go, the debt previously owing to the trade.

4490. Had not these Committees of Secrecy been investigating the accounts for a period before they came to that conclusion?—They had; but I think their views regarding the investment are limited to a few years.

4491. Does it not appear that the statement refers to a period, and that consequently they had the accounts before them for a period?—They had accounts before them for a series of years.

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4492. If there was a large expenditure in this country at this early period, was there any other way of getting money from India to meet that large expenditure but by sending it home in the shape of goods?—Clearly not.

4493. What observations have you to make upon the third and last period comprised in Mr. Langton's statement, *viz.* from 1792-3 to 1809?—I crave the Committee's attention to the fact, that Mr. Langton here makes an alteration in principle, by introducing, for the first time, a charge of interest. He shows that, without interest, the territory was indebted to the commerce, from 1792 to 1809, the sum of £1,638,135, but by introducing compound interest at the Indian rate, he makes the commerce indebted to the territory in 1809, £3,537,355. Mr. Langton's reason for this alteration is, that the proprietors were by the act of 1793 excluded from all participation, except in a remote contingent case, in either surplus territorial revenue or profits. Now if the Committee will refer to the arrangement which existed before 1793 (21 Geo. III, c. 65, and 24 Geo. III, c. 34), and compare it with the arrangement made in 1793, they will see that the alteration in principle was this: the surplus, instead of being divided between the public and the Company in the proportion of three quarters to the former and one quarter to the latter, was to be appropriated, first, in providing a crore of rupees annually to commerce, out of which the public were to get £500,000 a year; secondly, to the discharge of the Indian debt; and finally to the public and the Company, in the proportion of 5-6ths to the public and 1-6th to the Company, the 5-6ths to form a guarantee-fund for the proprietors of Indian stock. Admitting that, in consequence of the obligation to appropriate the surplus in the discharge of the debt, commerce should pay interest in the event of that discharge of debt being prevented by advances to it, yet it is obvious that under the Act the *first* appropriation was the crore of rupees to commerce. That this appropriation was not made is clear from the Fourth Report of the Select Committee in 1812, who say (p. 449), "The supply of a million annually from the surplus revenue in India must have been assumed as the basis of the expectation then held out to the public of receiving £500,000 a year. As the deficiency, which has in fact existed from the passing of the Act, is to be ascribed to the wars in India and Europe, no further payment has been made to the public under the direction of the Act." Now as India was bound by law to yield the crore of rupees to commerce, out of which the government participation was to come before surplus was applied to discharge debt, it is clear that India not having been able to fulfil the contract, cannot have been in the position contemplated by Mr. Langton. The Committee will understand that I by no means object to the charge of interest, which, on the contrary, seems to me to be perfectly fair and reasonable between the two departments; but I submit it should be charged for the whole period. If the charge be limited to the term from 1793 to 1814, then India must be debited with the annual deficiency in respect of the crore, more especially as in the payment of that crore the proprietors had a great interest, because upon this mainly depended the

the formation of the guarantee-fund. I would further state, that the principle upon which Mr. Langton has fixed the sums chargeable to commerce is quite inadmissible; whatever he cannot account for, he throws upon the trade, and he makes interest accrue upon it. Now whilst I would by no means deny that the Company, in its territorial capacity, should account for all its receipts, I must contend that the trade can only be held responsible for the monies actually issued to it, and that the statement between the two branches should be one of actual and not of hypothetical and suppositious transactions.

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4494. Referring to Mr. Langton's figured statements applicable to the period 1792-3 to 1808-9, do you see any objection to them, without reference to the charge for interest?—Yes, Mr. Langton has made certain omissions even in this period. If the Committee will refer to column 6, page 262* of Mr. Langton's statement, they will see that he has stated the floating debt of 1792-3, £2,012,786, and in 1809, £3,722,610. The difference, £1,709,824, he charges to the trade, or what is the same thing, he holds the trade responsible for it. If the Committee will refer to Appendix 2 to the Third Report of 1811, they will see that these sums include arrears of allowances, the amount of which, in 1809, exceeded that in 1792-3 by £764,527.

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4495. What do you mean by arrears of allowances?—I mean sums due to the civil and military servants of the Company, for past services, but not received by them; and as arrears of allowances are not charged till paid, Mr. Langton has under this head made commerce accountable for the said sum of £764,527 too much; Mr. Langton has also omitted £500,000 paid to government for its participation in the revenues. His third omission is £520,799, being the amount paid in bills of exchange beyond that charged in the accounts, owing to the rate at which the bills were drawn being in excess of the rate at which the accounts are stated. Mr. Langton has further omitted £250,081, being the sum applied to St. Helena by bills, in excess of remittances of that kind from St. Helena (*vide* Appendix 6 to Third Report, and Appendix 38 to Fourth Report).

4496. You have stated that there were certain allowances of arrears included in the sixth column; do the same items of arrears of allowances appear in 1809, and in the intermediate years, that you state appears in the years 1792-3?—There is not, I believe, any statement of them beyond that contained in Appendix 2 to the Third Report.

4497. Is there any account before the Committee, or before the House, of the adjustment between those two periods that appear in Appendix 2 to the Third Report?—I am not aware that there is.

4498. Are the Committee then to understand that you are satisfied that the statements of Mr. Langton are not to be relied upon?—That is my distinct opinion. I should be very sorry to say, with respect to Mr. Langton's statements, what I am surprised to see he has presumed to insinuate

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with respect to the Company's statements, "that either ignorance or bad faith presided at their preparation" (Q. 2928): but I think I have said enough to-day to satisfy this Committee that Mr Langton's statements are defective in principle; that he is totally mistaken in his historical facts and inferences, and that in his figured details he has made those omissions which completely destroy all his results.

4499. Is it not the fact that, with all the documents which the India House could supply, the statements which have been at different periods laid before the Committee, purporting to be to the same effect, have considerably differed?—Whatever differences may appear in the statements laid before this Committee, they are principally to be ascribed to variations in the form of accounts called for, and the Committee are aware that the calls are made by honourable Members according to the views which they may severally wish to have elicited. For example, last year there were laid before the Committee not less than four statements of freight: all freight paid; the freight of goods sold; the freight of goods imported into England; and the freight of goods exported from India and China. These accounts all necessarily differed one from another, and yet were all correct. I am at the same time perfectly aware that mistakes will occur in our accounts, as indeed in all accounts. When we discover them, our endeavour is to adjust the error; and I can further assure the Committee, that our object in obeying their calls for papers is to meet the views which we suppose to have prevailed when their orders were issued.

4500. Have not you yourself admitted that the statements laid before this Committee, from the India Board, differed from those which you afterwards produced for the same period, in many items?—I have; the differences were explained and adjusted for the information of the Committee.

4501. In allusion to the accuracy of the accounts from the India House, will you refer to the Appendix of the Second Report of 1810, where the commercial charges are stated, between the years 1793 and 1809, to be £3,160,710, and in Appendix 12 to the Third Report the same account is stated to be £2,916,176, making a difference of £244,422, having the same head and purporting to be the same account?—I submit, that if the fact be so, it merely shows that the accounts had been examined and adjusted.

4502. Are not all the accounts referred to by both parties, of the most intricate and complicated nature?—The accounts of the East India Company, previously to 1814, were necessarily complicated, as they involved territory and trade, and receipt and expenditure, both branches in India and in England. But I think that the accounts since 1814 are much clearer, and are fully comprehensible to any gentleman who will take the pains to understand them.

4503. Has a balance ever been struck between territory and commerce in those accounts?—The accounts between territory and trade were separated only in 1814.

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4504. Was the balance struck at that time between territory and commerce?—It was not in 1814. But I have to-day shown that a balance was struck in 1783.

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4505. Do you consider that the difficulties that occurred in 1814 prevented the adjustment of the account between the territory and commerce?—I am not aware that there were any difficulties deemed insurmountable.

4506. Were not declarations made in the House of Commons by Lord Castlereagh and by Lord Buckinghamshire that it was totally impossible to make an adjustment of this account?—Whatever may have been the difficulty apprehended, I think it has been greatly lessened by the plan adopted since 1814.

4507. Have there not been various Committees appointed at various intervals for the investigation of the affairs of the East India Company?—That fact is notorious.

4508. Have not some of these Committees endeavoured to come to some such adjustment as you before alluded to, and have they not given it up in despair?—No; I have this day shown that a Committee in 1783 did distinctly decide what sum up to 1780 was due to commerce.

4509. Since that period?—The reports of the Select Committee of 1810 and 1811 speak for themselves.

4510. In the accounts which were rendered on the part of the Company from 1793 to 1814, has not the expense of the Board of Commissioners for the affairs of India been included?—It has.

4511. How do you reconcile this charge with the enactment of 1793, which provided that the expense of the Board of Commissioners should be deemed and taken to be a commercial charge?—In 1793 the term commercial was applied as descriptive of all receipts and payments in England. Mr. Dundas, in his speech upon the Indian finance in 1796, whilst speaking of the increase in charges of merchandize, said “the sums paid to Mr. Warren Hastings, and the pay to officers at home, have already increased this estimate.” The object of the enactment, therefore, I conceive merely to have been to secure the payment in England. There was at that time no separation of accounts, but as soon as Parliament prescribed the separation they declared that the expense should be political; and it seems to me to be quite absurd that the expense of a Board with power to control every thing but the trade, should be charged to the trade.

4512. Do you include all the expences of Bencoolen?—In the statements up to 1809, all the expences of trade at Bencoolen were defrayed out of supplies made to it from India, and from Europe.

4513. Did they not then include the commercial, as well as the civil and military expenses of Bencoolen?—Yes; the head of supplies to Bencoolen must have included the sums disbursed then for the trade, but the territory has been credited with the whole cost and commercial charges of all consignments

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consignments from thence ; and thus all charges from Bencoolen have been reccredited in the home accounts.

4514. Was not Bencoolen declared to be exclusively a commercial colony?—I am not aware of any such declaration, nor could I ever concur in the opinion that Bencoolen could be considered, after 1765, to be altogether commercial. I find that in 1783 it was stated by a committee of proprietors, and recorded in Parliament, “that Bencoolen is, and has long been, a losing establishment ;” and if the Committee will refer to page 337 of the Second Report, they will see it stated in a despatch to Bengal of the 31st of August 1801, that but for circumstances of “a political nature,” that settlement would have been abandoned ; and they will also see, by the Act of the 42d Geo. III, c. 39, reducing Fort Marlborough to a residency, that the arrangements for that reduction were made subject to the control of the India Board. Indeed, if Bencoolen is to be considered an appendage to the Company’s trade, Singapore and the Dutch settlements, in the very heart of the Indian territory, or their equivalent, must be considered to belong to the trade, since they were received in exchange for Bencoolen.

4515. Do not you know that Bencoolen was held solely as a commercial settlement for upwards of a century before ever we acquired the territories in India?—The Company held Bencoolen as they held Calcutta, Madras, and Bombay ; and up to 1765 the commerce paid all the charges.

4516. What took place in 1765 to change the character from commercial to territorial?—The Company’s character was altogether changed from that of merchants merely to that of a sovereign body, and in this latter character they might retain the settlement from political considerations, though at a heavy cost, but merely as merchants they could not retain it, after ascertaining that it involved a certain loss.

4517. Is there anything on record to show that from 1765 up to 1800 Bencoolen was viewed as a political, and not as a commercial situation?—The only statements I have been able to find upon the subject in print, are in the year 1783, and in the year 1801 ; to both of which I have already referred.

4518. As St. Helena, before the acquisition of the Dewannee, was considered a commercial colony, why should that be transferred to the territory in India immediately after the acquisition of the Dewannee?—St. Helena was placed in the same predicament as all the other settlements. It does not appear to me that the commerce ought to be charged with any thing more in respect of that island than a tonnage duty. I look upon St. Helena to be, with respect to India, what Malta or Gibraltar is with respect to Great Britain.

4519. Before the acquisition of the Dewannee was it so?—Before the acquisition of the Dewannee all the settlements were charged to the trade.

4520. Mr. Langton has referred to a discrepancy between your statement regarding the rates of exchange since 1814, and that contained in a state-
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ment of the Company's accountant-general; can you explain this?—The whole cause of the difference is, that when I was questioned upon the subject, I referred to the exchange in India upon England. The Company's accountant-general has made out his statement upon the principle of the exchange in England upon India.

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4521. You were understood to state, that only those sums which have been actually charged against commerce should be brought into this last account, to which the examination refers. In the event of there being sums arising from territory, but the application of which does not appear, not having been charged to commerce, in what way would you propose that should be dealt with?—I think that the territorial branch should account for all its receipts; and if the Committee will refer to Appendix 26 to the Third Report of 1811 they will see that such an account was drawn up by the Select Committee at that time.

4522. Can you at all state the amount of those sums not brought into the account during the period from 1792-3 to 1809?—I have before pointed out certain items which I consider to have been omitted by Mr. Langton.

4523. Are there not several accounts of that nature between the years 1792-3 and 1809?—I think all the expenditure between 1792-3 to 1809 is to be traced in someshape or other in the Reports of 1810 and 1811.

4524. Would it give you much trouble to make those statements of the accounts for those three periods, with those corrections which you have detailed upon Mr. Langton's calculation, after the same manner as that you presented to the Committee with reference to Mr Rickards's?—If the Committee, after examining the statements which I have this day made, should desire to have them put into the form of an account, we will endeavour to do so.

4525. You referred to a payment of £500,000 from the Company to Government; on account of that payment did any increase of the dividend take place?—The dividends were increased by Act of Parliament in 1793 from 8 to 10½ per cent.

4526. What would be your opinion of the submission of these accounts to some professional accountant?—I hardly know what is meant by the term "professional accountant," if it does not include the officers of account employed by the Board of Commissioners, by the East India Company at home, and by their government abroad. If those officers are professional accountants, the suggestion to refer these accounts to other persons seems to me to imply one of two things, either that the officers who have framed the accounts are not competent to a discharge of their duty, or that they are subject to a bias in the performance of it. It does not become me to speak of the competency of the Company's officers at home, but perhaps no one has more experience than I have of the ability of the officers who act at the India Board, and of the officers of account to the government in India. As to a bias in the preparation of those accounts, will the Committee give me leave to suggest that the
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present system under which the accounts are framed is eminently one of check, and that the check preponderates greatly against the view which the Company may be supposed to take; because if the Company wish to favour the trade, the India Board and the officers of account abroad must have an equally strong desire to support the Indian territory; besides which, even as respects the Company's officers at home, many of them, including myself, are dependent not upon the trade, but upon the territory. In short, I can safely assure the Committee that the only object aimed at is to furnish the accounts in such a way as to exhibit fairly the result of the transactions between the two branches.

4527. Supposing it were the object of the Committee to obtain these accounts drawn up more strictly according to the ordinary form of mercantile accounts than they appear to be at present, do you suppose that the appointment of a professional accountant for that purpose would conduce to the attainment of that end?—I think not; the officers of account at the Board and at the India House will, I am sure, put the accounts into any shape that may be desired.

4528. From what you have stated of the manner in which the accounts are kept, do not you think there ought to be other accountants in England capable of drawing a balance on the accounts that have been submitted to the Committee?—Without presuming to utter one word in disparagement of professional accountants not connected with the Company, it does not appear to me that the labours of this Committee would be facilitated by employing them.

4529. Have you not in your evidence to-day admitted, in explanation of the difference between the accounts made up by Mr. Langton and yourself, that various items have not been included by Mr. Langton, because there were no documents which you were aware of, that Mr. Langton could have access to, to obtain them?—That is applicable to some of the items in the period 1780 to 1793, but not to others; as, in most of the cases, I have referred to the documents. Any deficiencies would have been supplied, if called for.

4530. Do you mean to say, confining yourself to the last period, that the recommendation made by the Select Committee of striking a balance-sheet between the revenue and territory annually, of every item in the treasuries of England and India, has been done?—Only since 1814.

4531. If so, where a difference of opinion exists between the accountants of the India House and other accountants, by what other mode could the difference be adjusted but by calling in other individuals not in the least concerned in the dispute as to figures?—There could be no difficulty in adjusting mere arithmetical differences; but accounts cannot decide principles.

4532. You have stated that the Board was a check upon the Company; was the Board any check upon the Company, in so far as the accounts were concerned,

concerned, previous to 1814?—They were a check upon the Company previously, but there was no separation of the accounts before 1814.

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4533. It was stated by Mr. Cartwright, in a former day, that 10 per cent. was added to the prime cost of all goods despatched from England. Is that done now in the invoices that are sent out?—The 10 per cent. previously to 1814 was an average. The actual expense incurred is now charged. The 10 per cent was less than the actual charge, which comprises interest, insurance, and commercial charges.

Jovis, 1^o die Septembris, 1831.

JOHN SULLIVAN, Esq., called in, and examined.

4534. IN what part of the East Indies were you resident?—Chiefly in Coimbatoor, as principal collector and magistrate.

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4535. How long were you resident in that country?—Between fourteen and fifteen years.

4536. When did you return to England?—Last June; fourteen months ago.

4537. In that situation, of course, you were familiar with the manner in which the land revenue was collected in that country?—Yes, that was my chief employment during the fourteen years I was there.

4538. Did you make any arrangement respecting it?—In the situation I filled as collector, my principal business was in settling and collecting the revenues of the country.

4539. You are acquainted with the workings of the different systems?—I am particularly acquainted with the working of the ryotwar system, and generally with the other systems.

4540. To what extent of district does your personal knowledge reach?—Coimbatoor, and also the neighbouring province of Mysore; Coimbatoor touches upon that province; I was attached for three years to the Mysore residency.

4541. In what situation was the land revenue when you went there?—When I went there it was in a very depressed situation.

4542. In what year was it?—In 1815.

4543. Was it under a commission that was appointed to arrange the mode of levying the revenue that you acted?—The assessment upon all the lands had been fixed before I went there, my duty was to collect that fixed assessment.

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4544. What was the system under which it was levied when you arrived there?—The country was leased out by villages at a rack rent.

4545. Will you describe the different systems of land revenue that prevailed in the Peninsula?—The system of the zemindary, the village lease system, and the ryotwar system.

4546. In what parts of the country do those systems exist now?—The zemindary system is confined entirely to the provinces known by the name of the Northern Circars, and partially in the Salem province, and partly in the zillah of Chingleput, under the Madras government. The ryotwar system obtains now in the districts of Malabar, Canara, Coimbatore, Bellary, Cud-dapah, the two divisions of Arcot, and partially in Madura, Tinevelly, Tan-jore, and Trichinopoly.

4547. And the village system prevails in the other parts?—I believe that is obsolete; I do not think it prevails anywhere under the Madras government at present.

4548. You found that existing in Coimbatore when you went there?—Yes.

4549. Was it intended that you should substitute the ryotwar system, or was it your own suggestion?—It was my own suggestion. I should state that orders had been sent from this country to substitute the ryotwar system in every possible case. It was the great abuses that were found to exist under the village lease system that induced Sir Thomas Munro, with whom I was joint commissioner, to recommend the re-establishment of the ryotwar system.

4550. Did you go there in the character of commissioner?—Commissioner and collector.

4551. Were you induced from your own observation of the country to recommend the ryotwar system in preference to the other?—It was a recurrence to the ryotwar system; that system had been established before; it was established in Coimbatore in 1801, in the first instance, and was continued until 1809, when the country was leased for three years; that lease expired in 1812-13, the revenue year, and it was then partially leased again till 1814-15 when the ryotwar system was re-established.

4552. For how long was the lease?—For ten years; it commenced in 1814 and was to continue for ten years.

4553. Will you have the goodness to describe the different tenures?—The village lease is the Government demand upon the village itself, upon the aggregate; the Government fix the demand upon the village, and agree with renters who undertake to pay that demand, leaving the renters to settle their demands with the ryots as they please.

4554. Will you explain the particulars of that system; who are the renters?—Anybody who engages for the rent; the villages are put up to auction; the assessment is first fixed upon it; if the people of the village choose

choose to take it, they have the preference; if they refuse to take it, other persons are called in who will undertake to pay it.

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4555. Is that what is meant by the village system, when spoken of in any other of the presidencies?—Only at Madras; there is no system of the kind introduced at Bombay; the better name would be the lease system. The professed object of the village leases was to resolve itself into an individual or ryotwar system; that was the ultimate object of the authors of the system.

4556. Who were the authors of the system?—It was introduced under the government of Sir G. Barlow. Mr. Hodgson and the gentlemen of the Board of Revenue of that date recommended it.

4557. When was it they proposed it?—The first lease for three years commenced in 1809, the second for ten years in 1812; the dates are given in a Minute dated January 1818, which will be found in the first volume of the printed Selections.

4558. What was the system prior to 1801?—The system prior to 1801, in Coimbatore, and in all the provinces we got from Tippoo, was the ryotwar system.

4559. What was the change that was then made?—A survey was made, and an assessment fixed upon each field. The revenue under the Mysore dynasty was fluctuating, the object of the ryotwar system was to fix an assessment upon all the lands of the country in perpetuity.

4560. Then in 1809 there was a change again?—The first change to the village system was made in 1809, when the survey and the assessment fixed upon each field were entirely lost sight of, and a sum was fixed as the government demand upon each village, in consideration of which the whole lands of the village were made over to the person undertaking to pay it; the first lease was for three years, and the next for ten years, and to be permanent if sanctioned by the home authorities; that sanction was not given, and the lease was permitted to expire.

4561. When did it expire?—In 1823.

4562. Did it continue till 1823?—Yes, in most places it did.

4563. What was the proposition of Mr. Hodgson?—That will appear by the Minute before referred to. [*The witness read the same.*] It is stated here that the aim of these village settlements was the gradual conversion of the village lease into a lease of each individual ryot's lands.

4564. What is the peculiar principle of the ryotwar system?—The peculiar principle of the ryotwar system is to fix an assessment upon all the lands of the country.

4565. What is the distinction between that system and the principle of the zemindary system?—The great distinction in principle is, that the ryotwar system effectually does that which the other professes to do, but never has

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done, and never can do, that is, to fix an assessment upon all the lands in the country.

4566. That never has been done under the other system?—No, not in Bengal, at this moment; it is called a permanent settlement, but if the Committee look into the details, they will find there is no data upon which to fix the assessment upon the land; and though there is a demand of the government upon a certain portion of territory, when that portion is broken up or divided, the parties must apply to the government for a re-assessment of any portion of the estate which, from accidental causes, may have been so broken up.

4567. Will you have the goodness to distinguish between the amount paid to the government and the amount levied upon the lands?—I consider there is a great distinction. The idea I wish to convey to the Committee is this: under the ryotwar system the assessment goes from the detail to the aggregate; I will take for example the Rajah of Burdwan, who pays the largest amount of revenue to the government of any zemindar in Bengal. The ryotwar system deals with a person of that class in this way; it measures and assesses every separate portion of that estate, and the aggregate of that assessment is the demand of the government upon the Rajah of Burdwan. On the other hand, if there is a proprietor of an estate of 10 acres, the assessment upon his 10 acres is the amount of the demand upon him in perpetuity. My object is to show that the ryotwar system respects property of every class, that of the largest landholder and that of the smallest landholder. In order to do this, you must assess every portion of the land, you must deal with it in detail, and, whether the property consists of 10 acres or 10,000,000 of acres, each separate portion of it must be surveyed and registered in the public records. The object is two-fold: under the influence of the Hindoo institutions, which require that the landed estate shall be broken up and divided between the sons, no great mass of property can ever remain undivided any length of time; when it breaks up, the assessment, under a ryotwar system, is already fixed upon each separate portion of the estate. Another of its objects is to facilitate the transfer of landed property; when a large zemindar, for instance, has occasion to sell any part of his property, or alienate or bequeath it, the first question asked when he takes it into the market is, what is the amount of the public demand upon the land?—Under the ryotwar system the proprietor produces an authenticated copy of the survey register from the village accountant, which shows the exact demand upon it in perpetuity, and he carries his land into the market and sells it without difficulty: but under the zemindary system, if a zemindar wishes to dispose of a village, or only 10 acres, before he can ascertain the amount of the assessment and public burthen upon it, he is obliged to have recourse to the collector, who must re-assess that separate portion of his estate.

4568. Then the distinction you make between the zemindary and the ryotwar tenure is, that in the one case the details of the interest of the respective ryots

ryots are known, and in the other case they are not ascertained?—In the one case they are ascertained completely, and not at all in the other. 1 Sept. 1831.

4569. Would it not be possible to ascertain them under the zemindary tenure?—Yes, at the time it would have been possible, but it is impossible now to ascertain it. *J. Sullivan, Esq.*

4570. Could you not establish this zemindary system, that of a great proprietor dealing directly with the government, and yet ascertaining that all the inferior occupants shall have their rights protected and known?—The ryotwar system deals with the proprietor; if the rajah is the complete proprietor of the land, he is the person with whom the government deals; it does not profess to interfere between him and his tenants, it leaves him in perfect possession of his rights, and stands in the same relative situation towards his tenants as a landlord does to his tenant in this country.

4571. But, in order to ascertain what he is to pay, you would assess the whole of his fields?—Yes, first in detail, and then in the aggregate.

4572. In that case, what greater protection could you give to the ryots than is given under the zemindary settlement?—The zemindary settlement is founded upon a usurpation of the rights of the ryots; if the zemindar was absolutely the proprietor of the land, his right is as good as the right of any ryot, but you have constituted the zemindar, and made him proprietor; you have taken away the right from the ryots and given them to the zemindar. It is a question whether you have any right to interfere between the zemindar and his ryots.

4573. What advantages with respect to the condition of the ryots do you consider the ryotwar system has over the zemindary system?—In the fixed assessment upon the lands of the ryot, which is the best incentive to his industry, the government demand being fixed upon his land, all the benefit of the improvements is left to himself; his capital is employed in creating fresh produce for his own benefit.

4574. What sort of property resides in the ryot?—A complete proprietary right in his land; he is the owner of his land to all intents and purposes.

4575. Are there any very large estates held under that system?—There were two or three to a very considerable amount, but under the operation of the Hindoo institutions they have all broken up, and in the next generation they will be petty estates, but that is not the consequence of the ryotwar system, but of the Hindoo institutions.

4576. Under the ryotwar tenure, is it not possible for the zemindar with whom you deal to exercise great oppression over his ryot with impunity, as far as the government is concerned?—I conceive not: I should say he has no great means of exercising oppression over him; he may demand from him what he pleases; his land is his own, he may let it for the highest sum he can get; but the ryot under the zemindary system is completely withdrawn from the protection of the government; the government has nothing to

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to do with him in any way whatever; if he suffers any injury from the zemindar, his only remedy is a suit in the court.

4577. What other advantage do you think the ryotwar system possesses over the zemindary system?—In the creation of a great body of independent proprietors; I should think that one great advantage over the zemindary system, which is confined to the creation of a very few, and they are only proprietors in name.

4578. Is there any advantage as to the revenue?—Yes; the decided advantage is, that all the fruits of industry accumulate for the benefit of the great mass of the people; in the case of the zemindary system they accumulate for the benefit of a few.

4579. Does it tend to the accumulation of capital?—Yes, in a very considerable degree.

STATEMENT showing the Results of the RYOTWAR SYSTEM in COIMBATOOR, from 1814-15 to Accountants

YEARS.	Number of Villages and Hamlets.	Population.	Black Cattle and Buffaloes.	Sheep and Goats.	Number of Persons paying Taxes.	Number of Ploughs.	Number of Wells.	Quantity of Land paying Assessment.
1814-15* ..	5,791†	550,814	377,129	384,167	124,692	68,108	23,724	Acres. 1,056,644
1815-16 ..	5,613	563,695	441,540	393,837	144,580	83,287	27,097	1,345,424
1816-17 ..	5,618	585,147	417,365	372,822	145,225	83,331	26,868	1,355,436
1817-18 ..	5,748	611,823	418,586	385,306	145,664	82,762	27,366	1,373,294
1818-19 ..	5,783	664,114	452,010	403,981	160,232	84,351	27,162	1,412,064
1819-20 ..	5,799	637,637	457,664	398,777	160,975	83,899	28,812	1,419,746
1820-21 ..	5,850	625,815	502,304	389,260	163,382	81,499	29,558	1,415,303
1821-22 ..	5,914	638,199	458,433	394,205	162,593	82,853	28,719	1,418,249
1822-23 ..	5,953	677,252	485,037	394,506	168,899	81,733	29,586	1,458,459
1823-24 ..	5,970	827,530||	601,881	451,102	169,422	85,630	29,889	1,464,136
1824-25 ..	5,979	842,214	606,468	465,236	172,009	85,457	30,989	1,472,844
1825-26 ..	5,993	852,409	643,786	464,358	174,813	85,940	31,239	1,448,221
1826-27 ..	5,993	854,050	666,357	443,847	175,418	88,159	31,592	1,444,617
1827-28 ..	5,996	859,056	654,837	451,060	175,164	88,076	31,694	1,444,031
1828-29 ..	5,996	870,866	658,011	429,544	184,244	87,769	30,818	1,457,610

* The Province was under lease in 1814-15.

† Deserted villages included in these returns.

|| Infants under five years of age are included in the returns of the last six years.

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4580. How many years experience had you of that system?—Fifteen years. 1 Sept. 1831.

4581. Did you observe any of its advantages?—Yes, those advantages are not matter of opinion, they are matter of record; every improvement is traced and recorded. *J. Sullivan, Esq*

4582. What record have you of those advantages?—This paper is a statement drawn up from official documents, and which I appended to a little tract I drew up upon the ryotwar system, for the information of the authorities in this country.

4583. Will you have the goodness to state the general results?—The progress of population; the increase of stock; improvements in agriculture; the creation of capital employed in different works; the increase of revenue from the land, are all given in this Statement.

1828-29, both inclusive, compiled from the detailed Accounts kept by the Curnums, or Native of Villages.

Amount of Assessment.	Average Size of the Estates.	Average Payment of Proprietors.	Amount of Taxes on Arts and Professions.	Revenue from Customs.	Revenue from Licenses.	Revenue from Stamps.	Total Produce of Revenue in all Branches.	Average Payment per Head.
Rupees.	Acres.	R. A. P. §	Rupees.	Rupees.	Rupees.	Rupees.	Rupees.	R. A. P.
1,864,391	16 ⁷ / ₁₆	19 10 3	109,215	113,608	19,889	12,185	1,966,389	3 9 1
2,011,192		19 14 6	120,671	108,787	20,438	12,049	2,259,092	4 0 1
1,931,850†		19 3 6	124,335	123,284	22,073	10,727	2,206,215	3 12 4
2,018,407		19 14 0	123,771	153,144	22,857	15,281	2,381,509	3 14 3
2,071,180		19 7 9	164,650	167,506	25,487	16,399	2,484,994	3 11 11
2,086,042		19 15 10	158,716	210,734	26,167	19,199	2,550,621	4 0 0
2,042,167‡		20 5 0	174,647	193,966	32,311	22,603	2,489,165	3 15 8
2,055,146		20 7 8	172,793	193,243	38,336	19,868	2,508,812	3 14 11
2,142,165		20 4 5	171,537	206,291	41,169	15,716	2,611,359	3 13 8
2,082,190‡		19 6 7	164,341	172,805	41,277	17,491	2,497,850	3 0 3
2,218,775		19 12 5	161,319	180,390	42,084	15,890	2,636,155	3 1 10
2,219,416		19 10 1	160,217	202,350	43,852	15,453	2,671,379	3 2 2
2,230,030		19 9 3	159,360	203,629	44,088	14,118	2,673,999	3 2 1
2,227,476‡		19 6 11	166,231	202,743	53,661	20,986	2,680,494	3 1 11
2,189,275‡		18 10 9	179,023	214,873	54,661	21,322	2,670,760	3 0 9

† A bad season.

§ Rupees, Annas, Pice.

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4584. The ryotwar system you conceive to have been the original institution?—Yes, I do; the ancient system.

4585. And more agreeable to the people?—Most decidedly. There are in this little tract two or three very striking instances of the tendency of the Hindoo institutions to break up all accumulations of property into small divisions. When we took possession of Coimbatore in 1800, there was a proprietor of the name of Ramacharry; he possessed an estate of 1,700 acres, and was assessed at the annual sum of 8,000 rupees; he died in 1807, leaving to his children a landed estate of 2,270 acres, assessed at 11,000 rupees. These accumulations they held in common until 1818, when they were divided amongst his three sons. A repartition of it subsequently took place for the benefit of his grandchildren, and in 1829 it had been split into 20 separate estates, the largest of which did not contribute more than 400 rupees to the revenue. Another was Vancatacharry, a proprietor of the same place; he in 1800 had 1,030 acres, rated to the public assessment at 6,300 rupees, the estate had increased to 1,342 acres, and his payments to 6,700 rupees; when it was divided amongst eight of his descendants. Vencatramiengar, a proprietor now living in the Coimbatore division, had in 1800 a property consisting of 111 acres, and paid 1,000 rupees per annum to the public revenue; a few years afterwards his estate had increased to 205 acres, and his payments to 1,744 rupees; but having already made a partial distribution of property amongst those who will be his heirs, the estate in his immediate possession is now reduced in size to 104 acres, which at his death will be partitioned out to his descendants. Supposing those three men to have been settled with under the permanent settlement, when the estates broke up as they have done, each separate portion would have required a re-assessment; but with the assessment originally made under the ryotwar system, no farther interference is necessary on the part of the government.

4586. The first estate you have named paid 8,000 rupees to the government?—Yes.

4587. From the division of the property amongst his descendants they paid 400 rupees each; what did the same property pay to the government altogether after the division?—Precisely the same sum; the assessment is fixed in perpetuity.

4588. In what sense do you think the ryotwar system can be called a permanent system?—I consider it the only permanent system, inasmuch as the land-tax is fixed in perpetuity on every field in the country.

4589. As a maximum?—No; fixed.

4590. Fixed in what sense; that it cannot be exceeded?—Yes, that it cannot be exceeded.

4591. It varies within that demand?—When too high it is modified and reduced.

4592. Does

4592. Does that require a fresh survey?—No; it is merely an arithmetical process reducing so much per cent.; no fresh survey whatever is necessary. 1 Sept. 1831.

4593. In the province of Coimbatore is the survey complete?—Yes. *J. Sullivan, Esq.*

4594. And the assessment fixed upon every field in the province?—Yes.

4595. According to a principle that can never be exceeded?—Under no circumstances.

4596. In what mode did you proceed to make that assessment?—It was made by my predecessor, Colonel M'Leod; he was the gentleman under whose superintendence a part of it was made, and the other part under Mr. Hurdis; they were the first collectors of the province after its cession to the British Government.

4597. It was made by them in connection with the native village authorities?—Yes; in communication with, and with the assistance of the natives.

4598. You saw no reason to doubt the accuracy of it?—It required modification upon several points, and has been modified and reduced.

4599. At what proportion was the assessment fixed?—I think the average amount of the original assessment was 45 per cent. of the gross produce of the soil.

4600. Paid to the government?—Yes.

4601. Was that the rule by which the assessment was made?—It did not exceed it in Coimbatore; in the rice lands, the lands artificially irrigated, it varied from 45 to 60 per cent.

4602. You take a proportion of the gross produce as the rule of assessment?—That was one of the data; but it should be understood, in those countries where a large portion of the land is dry, there has always been a fixed money payment from the earliest epochs, as long ago as the Bizzanuggur government.

4603. What other data were there?—The customary payment was one data, whatever could be traced from the original records; the survey was another; and that was again adjusted by the proportion of the produce of the soil, as in this country every landlord takes a certain portion of the produce as rent commuted for money.

4604. Was the assessment fixed higher than it had been previously?—Rather lower; there was very little difference on the whole. In some particular instances it was fixed much higher, indeed enormously higher; but that continued only for four years, when it was as much reduced.

4605. In general was it a high assessment?—No, in general moderate.

4606. Did it exceed what could fairly be considered the rent of the land?—In some instances; it did in those instances; but when it did so, it was upon a rough survey that had not been revised and modified.

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4607. The question referred to the permanent maximum?—It was considerably lower.

4608. In all cases?—Yes, upon its revision; but it is necessary to explain that the tendency of a fixed assessment upon the soil is to increase the produce, and diminish the ratio of the assessment. The ryots pay a much smaller proportion now than they did when the tax was first assessed, so that the calculation I make is that they do not now pay more than 20 per cent., having originally paid from 36 to 45.

4609. During four years the assessment, you say, was too high?—Yes, the rough survey was, before it was revised; a great many errors had crept into the survey that had not been revised.

4610. What four years were they?—They were 1804, 1805, 1806 and 1807.

4611. Do you suppose that the survey was made prior to your time in the same manner as since?—Yes, I imagine strictly so in former times.

4612. In what proportion did they assess them?—The assessment was generally much higher; they took a larger proportion of the produce commuted for a money rent; the demand upon the land was larger.

4613. What has been the effect of the ryotwar system in other parts of Madras?—I do not consider it has had a fair trial in any other province; until of late years it has had no existence whatever, and I am certain, if it continues for any number of years, the benefit arising from it will be apparent; I should say ten years was a fair trial.

4614. Was not the general complaint that Sir Thomas Munro's assessment was too high?—He lowered it; he found it too high, and lowered it. His proposition was to have lowered the assessment of some of those districts to 25, and in other instances 33 per cent., but his proposition was over-ruled, upon the ground that the government could not spare so much money. The land was let at a rack rent in 1809, and continued till 1822 and 1823, when the ryotwar system was introduced. His very first measure, where an opportunity offered, was ordering the reduction suggested in 1807. His orders were not carried strictly into execution; and in 1826 another collector was appointed to the district under Sir Thomas Munro's instructions, who did reduce the assessment, and it was in 1826 Sir Thomas Munro went there to see the effect of it; on that mission he died. So that in these districts the ryotwar system has only had a fair trial of two or three years.

4615. What are the districts in which it prevails?—Bellary and Cuddapah, the ceded districts.

4616. Has the value of the land of Coimbatore increased as compared with the value of the land in other districts?—I should think very considerably.

4617. Can you state in what degree?—I think I ascertained in Coimbatore lands sold as high, sometimes, as twenty years purchase the net rent.

4618. Were

4618. Were they common lands?—No; lands artificially irrigated; they sold as high as twenty or twenty-five years purchase. 1 Sept. 1831.

4619. What would be the number of years purchase such land would sell for in other districts?—I should think not more than four or five years; in many parts of the province lands are not saleable at all. *J. Sullivan, Esq*

4620. From what cause do you consider the value of land to have been enhanced in Coimbatore?—I consider the increased value of land to have arisen entirely from the ryotwar assessment, which, as a fixed assessment, secures to the ryot the exclusive benefit of the industry and capital employed upon the land. Under the permanent settlement he cannot have that benefit, because it is not fixed. I can illustrate my meaning in this way: suppose a ryot in a zemindary district to have a well, and the land is artificially irrigated from that well, and that the same description of land belongs to a ryot in Coimbatore; in the one case the demand is permanently fixed and registered, the consequence is, that all the capital he can spare he throws upon it, sure of receiving the whole profits: but under the zemindary system a ryot is not sure; there is no fixed demand upon him; he may pay rent equal to one-third of the produce this year of his well land, and the next year the zemindar may come upon him for one-half; there must always be a very considerable difference between them, the difference depending upon the limit fixed to the assessment of the land.

4621. Is there much competition for the land?—Yes, very great competition.

4622. Would you not have to depend more upon native agency in the ryotwar system than in the zemindary system?—I do not think you depend more upon native agency under the ryotwar system. The difference is between the agency of zemindars, and the agency of tehsildars; a bargain is made between the ryot and the tehsildar in the one case, and the agent of the zemindar in the other. The tehsildar is the agent who collects the government revenue from the ryots.

4623. The Committee understand, when you are speaking of the advantages of the ryotwar system over the zemindary system, you would contemplate a permanent maximum that shall never be exceeded?—Yes.

4624. Do you not contemplate that permanent maximum being a low rent upon the ryot?—Yes, most unquestionably; that is the foundation of the whole.

4625. Do you think, in the ryotwar system established by Sir Thomas Munro, the permanent maximum was a low rent?—What he wished to establish in 1807 was a very moderate rent, and what he did establish in 1822 was a moderate rent.

4626. A moderate assessment was not established in the Madras presidency, where the ryotwar system now exists, except in Coimbatore, until in 1827?—I think in 1825.

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4627. Do you recollect the actual amount of the permanent maximum in Coimbatore in the time that it was originally assessed in 1801?—I think I have stated I considered it to amount to about 40 or 45 per cent.

4628. Do you know the actual revenue raised?—I am not sure; I cannot state it from memory.

4629. Do the Committee understand that the permanent maximum established in Coimbatore is now actually realized?—Yes, in a majority of instances. A very considerable increase did take place in consequence of the extended agricultural improvements upon the land.

4630. Was it not necessary in the province of Coimbatore to make the reductions necessary in other parts of the presidency?—Reductions have been made; considerable reductions, in the last fourteen years; and in those years 1805 and 1806, when the assessment was found too high, there was a very large reduction made.

4631. You were understood to state that the permanent maximum is now actually realized in Coimbatore?—The permanent maximum is realized.

4632. Do you conceive, after the revision of the actual settlement, a permanent maximum exists in Coimbatore?—Undoubtedly.

4633. And that it is not in the power of the collector or the government of Madras to vary it?—Certainly not in the collector; and it would be a breach of faith on the part of the government.

4634. Was that permanent maximum contemplated at the time the village leases were granted?—No, that was lost sight of.

4635. Then in that case a deviation from the principle laid down existed in Coimbatore?—Yes, completely.

4636. That commenced in 1809?—Yes; and continued to 1812, in the first instance, and partially to 1815.

4637. If that great deviation could have existed in those years, what is there to prevent a similar deviation at the present moment?—It was entirely the act of the government; I thought it a very reprehensible one certainly; I consider that the faith of government is pledged to that maximum of assessment, and to deviate from it would be a gross breach of faith, as under that faith large sums have been expended in improving the lands.

4638. Do you not conceive that a permanent maximum, if fixed too high, is an injury rather than a benefit to the country?—A most decided injury; it is a vice in any system; there can be no prosperity under it; it matters not what the system is, if the assessment is too high the agriculturalist must be ruined.

4639. The table you have given in of the revenue of the state of Coimbatore, from 1814-15 to 1828-29, is drawn up for the years during which you were collector for the district?—Yes.

4640. Do you not imagine that the prosperity of the province which is
 subject

subject to that settlement must very much depend upon the attention, or otherwise, paid by the collector?—I do not think peculiarly so, because the great business of the revenue has long been completed, which is the assessment of the land; the collector has nothing to do but to collect it. 1 Sept. 1831.
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4641. But that has been deviated from?—It has been revised, but it is revised as a landlord revises the rent of his estates in this country: you can neither have an immutable revenue or an immutable rent.

4642. Was any part of the reduction that took place in the assessment of Coimbatore made at the suggestion of yourself?—It was.

4643. Supposing a collector had been at Coimbatore who had not taken the same view you did, and had endeavoured to realize the permanent assessment upon that province, do you imagine that the same results would have taken place at Coimbatore that are exhibited upon this Table?—I think its prosperity would have been very much checked indeed.

4644. You have stated that you think in Coimbatore land will sometimes sell for 20 to 25 years purchase; are you aware of the price at which land sells in the Bengal presidency, where the permanent settlement exists?—No, I am not aware of that; but I conceive the zemindar himself can only sell rights of revenue; he cannot sell the land itself; the ryot under the zemindar cannot sell his land, because it is so heavily taxed as not to bear a saleable value.

4645. Mr. Mill has stated the price as varying from 25 to 100 years purchase?—That is the government revenue.

4646. But what is sold is the rent accruing after that is paid?—It is the right of collecting the government revenue.

4647. That consequently evinces a considerable extension of cultivation upon the estate so sold?—I do not think it so follows; it may have been a very low and unfair assessment originally.

4648. Has there been a considerable investment of capital in the province of Coimbatore in the shape of irrigation?—Yes, as shown in the Table.

4649. By whom is that done?—By private proprietors.

4650. You stated that you did not remember the amount of the original assessment?—No, I must refer to the accounts.

4651. Was the whole of the land of that province, whether cultivated or not, brought into that assessment?—Yes, it was all surveyed and valued, whether occupied or not.

4652. Do you not conceive that the assessment being settled by a minute survey establishes a great and effectual check upon the native public servants and the cultivators?—Most decidedly; it is the only check, in my opinion, that can be established.

4653. What is your opinion, from your observation of the provinces that have been under your management, of the general character of the native servants,

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servants, and their progress towards improvement?—I have a very high opinion of them; I think, where they have been wanting in good qualities, it has been entirely owing to our treatment of them.

4654. Are you of opinion, that giving greater trust and responsibility to those persons, and at the same time a liberal and fair increase of pay and of consideration from the government they serve, will tend to render them men of integrity, whose duties may be enlarged with perfect safety to the state?—I have no doubt that will be the result.

4655. Do not you conceive, from the land being the principal source of revenue, and the happiness of the people being very greatly dependant upon the collection of it, that a minute knowledge of the territorial branch of administration is quite essential to every civil public functionary of the government, in whatever line he is employed?—Most indispensably necessary. I should think no person qualified for any office of trust who had not that knowledge.

4656. Are not the disputes and litigations of the inhabitants of those provinces of which you have knowledge in a far greater proportion regarding lands than on any other subject?—Undoubtedly they are.

4657. Do you think that an early education, and the attainment of knowledge in the revenue line, and the exercise of magisterial duties, is essentially necessary to form persons for the judicial branch of the administration of our provinces in India?—I should think it essentially necessary; there is no other education by which they can become acquainted with the manners, and usages, and customs of the people, their modes of transacting business, and the loans they make, and the mode in which they borrow money in the transactions between the agricultural and commercial population; besides, in that situation they live in habits of familiar intercourse with the people, which they can never do in the trammels of a judicial office.

4658. Do you think, from the observation you had of its effects, that the exercise, over extended tracts of country, of the functions of a commissioner, combining both duties, judicial and revenue, is calculated to promote justice, to secure the happiness of the people, and, beyond the present system, both in economy and efficiency, to promote the general interest of the government?—I think those objects cannot be attained under any other system; and I should say at present there is no effectual check over the local officers, either revenue or judicial.

4659. Do you not think, from your experience, that, independent of that check and control over the officers, revenue and judicial, it would in a very great degree prevent that collision, which, descending from their superiors, often throws into parties, and produces the worst effects among the native officers of government, as well as a want of confidence in the inhabitants of the province?—That is my decided opinion.

4660. Are

4660. Are you not aware that a fixed and moderate assessment, wherever it obtains in India, and under whatever name, is attended invariably in every place with the same improvement in the state of the country which you have ascribed to the ryotwar system in Coimbatore, and is not that exemplified in the highly flourishing state of the estates of many jaghiredars, both in the Madras and Bengal territories?—I am not aware of the state of the Bengal jaghiredars.

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4661. Are you aware of the state of the jaghiredars in Bombay?—I do not know the state of them, and I am not aware that any person has an accurate knowledge of the state of the zemindars in the Madras territory, or of the polygars; if they pay their kist regularly, the government are satisfied.

4662. Do you not conceive, wherever a moderate assessment exists for any length of time in any part of India, prosperity immediately evinces itself in such a district, under whatever system the revenue is raised?—I should say decidedly not: I think the government may be very moderate in their demands upon the *zemindar*, and other people of that class, and the demand upon the *ryot* may be as great as it was under the native governments, with this very great difference, that it is impossible for the ryots to look for any change.

4663. That is supposing an arrangement is made with the zemindar, and he has the power of exacting what he chooses from the ryot?—Yes.

4664. The Committee is supposing that an assessment shall be made upon the ryots, that is a moderate assessment?—Then it is, to a certain extent, in fact, the ryotwar system.

4665. Supposing the rights of the ryots had been sufficiently attended to at the time the permanent settlement was established in Bengal, and the assessment upon them had been moderate, do you not imagine that a great increase in the population and prosperity of Bengal would have been the consequence?—No doubt.

4666. Do the Committee understand you to state, that after the reduction made in the assessment of Sir Thomas Munro, that any permanent maximum was fixed, subject to that reduction?—There was a permanent maximum fixed, subject to that reduction.

4667. By whom?—Sir Thomas Munro himself.

4668. In what year was it?—It was in the year 1800 that the Ceded Districts came into the possession of the British Government. After the fall of Seringapatam Sir Thomas Munro assumed the charge of these districts as principal collector, in 1801, and immediately commenced a new survey, with a view to fix a permanent assessment upon all the lands. That survey and assessment he had nearly brought to a conclusion in 1807, and in reporting upon it, he stated to the government that the assessment amounted at that time to 45 per cent. of the gross produce of the soil,
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which he proposed to reduce, in some instances 25, in others 33 per cent., stating it as his opinion, that such a reduction would in progress of time give a saleable value to all the lands of the province. He coupled that proposition with another, that went to declare the ryots the absolute proprietors of their lands upon the payment of this fixed and reduced assessment. The government of Madras acknowledged the advantages that would accrue from adopting Sir Thomas Munro's suggestions, as far as the welfare of the people was concerned, but stated that the pecuniary exigencies of the government were so great as to make it impossible for them to give up that amount of revenue that would have followed from the reduction proposed in the assessment. Sir Thomas Munro embarked for England in 1807, and in 1808 and 1809 the government of Sir George Barlow introduced a village rack rent of the districts which had been under Sir Thomas Munro's charge, which rent continued until 1812; that rack rent was followed by a lease of ten years, which expired in 1822, when Sir Thomas Munro ordered the reduction which he had proposed in 1807 to be made, and which was carried into execution in the year 1825-26, and that reduced assessment is now the maximum demanded upon the land of those districts.

4669. In what way is it fixed as a maximum assessment; what instrument has the ryot to show that his assessment is now fixed in perpetuity?—He has given to him what is called a “puttah,” which gives a particular detail of the lands in his possession, with the amount of the government tax, and that puttah has the seal of the collector attached to it.

4670. Have these puttahs been generally given?—Yes; but I do not consider them sufficient, they ought to have something from the government itself. There ought to be a declaration, which there has never been, that the present assessment is the maximum demand upon the land.

4671. The puttah is granted by the collector?—Yes, on behalf of the government.

4672. Does it depend upon the authority of the individual collectors to grant these puttahs?—No, it is obligatory upon them.

4673. Is it by one of the regulations under the Madras presidency that these puttahs are granted?—Yes, it is.

4674. Can you state the date of that regulation?—I believe it is a regulation of the year 1802.

4675. That was previous to the reduction?—Yes; it is merely a regulation that puttahs shall be issued.

4676. Has a fresh regulation, since the reduction of Sir Thomas Munro's assessment, been given out at Madras, that a permanent maximum shall be established?—I do not think it has been made matter of regulation.

4677. Have the puttahs generally been granted to the ryots under the
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Madras presidency subject to the reduction of Sir Thomas Munro?—Yes, invariably. 1 Sept 1831.

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4678. But it is not granted upon a regulation of the Government?—I do not speak positively; I do not think there has been a regulation issued.

4679. Do you conceive that puttahs granted to the ryots, not founded upon the existence of an actual regulation, are instruments of such validity as to enable you to state that a permanent maximum exists throughout the Madras presidency?—Yes, decidedly, in the ryotwar districts.

4680. Was nothing done to moderate the assessment for the twenty years that elapsed from the time of the first assessment of Sir Thomas Munro, notwithstanding his recommendation, and was it left to himself finally to do so on his own responsibility?—Yes, it was.

4681. Do you conceive that a settlement made with the ryots and zemindars can be practicable without either being inefficient in its protection of the former, or effecting a complete change in the condition of the latter?—Under the present system it is utterly impracticable; it is stated so by Lord Hastings in the broadest possible terms.

4682. What would be the situation of a zemindar, suppose an assessment was formed by the government upon each of his ryots which he could not alter, would he not become a mere collector?—Yes, completely so; and it would be a gross violation of his proprietary right.

4683. Was not the regulation to which you have referred a regulation for a perpetual settlement of the Madras presidency?—Yes; but as far as the puttahs are concerned, it was applicable to the ryotwar district.

4684. Is there any other regulation as to the puttahs except the one you have stated?—No other occurs to me now; if there is any other it will be found in the regulations of the Madras government.

4685. In the first instance of this permanent settlement were those puttahs granted?—Yes, invariably, in the ryotwar districts.

4686. And those puttahs stated the permanent maximum established by Sir Thomas Munro?—They stated the assessment of the different districts.

4687. Then if those puttahs give the reduction that was then made, there can be no others granted?—The puttahs are granted annually; sometimes a ryot will throw up part of his land or take other lands, when another is granted, showing the names and the quantity of his fields, and the amount of his tax; if no alteration is made in the holding, the puttah is not altered; if he has resigned part of it, or added to his holdings, it is altered; it is annually granted.

4688. It is granted as a matter of course?—Yes; and it is evidence in a court of justice, with the collector's seal attached to it.

4689. It is evidence for that year?—There is another granted for the next year.

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4690. If a ryot gives up the cultivation of a field for some years, and then goes back to that field again, does he expect that the same sum will be charged him as revenue upon that field that was charged him before?—Yes; neither more nor less.

4691. In those cases in which the land is worth from ten to twenty years purchase, the cultivator would have no disposition to throw it up?—Never. I do not say that all the land is of that value, but I have known it sold at that value.

4692. What can be the inducement for the cultivators, who have the property in the soil you have described, to throw up any part of the land?—Frequently from being reduced in their circumstances. Many of the ryots in India are men who live from hand to mouth, and if a plough breaks, or a bullock dies, or the rains fail, they are not able to carry on their cultivation; they are men of no capital, they cultivate upon borrowed capital; a succession of bad seasons will go far to ruin the richest proprietor.

4693. Do the Committee understand that the puttahs granted annually contain a list of the fields, taken from the original survey, with the rent that each field is to pay?—Yes, they do.

4694. You have stated that the cultivation is carried on chiefly by borrowed capital?—A good deal of it is; but not chiefly.

4695. Can you state the interest that the ryot commonly pays for the capital borrowed?—He always receives advances from the government when he wants assistance, and if he is poor he pays no interest for it; it is what is called “tuccavee.”

4696. Is that often granted?—Yes, whenever applied for; no interest is charged upon it, and it is repayable by instalments.

4697. Then why should they borrow of others?—They generally get the money from the government.

4698. Can you state the amount that is so obtained in any one year?—No, I cannot precisely; but one great proof of the amelioration of the condition of the inhabitants is, the diminished amount of the advances; it has diminished in Coimbatore from 50,000 or 60,000 rupees a year to 18,000 or 20,000 rupees a year.

4699. You have stated that they get “tuccavee” whenever it is applied for; do you mean in every case?—When every necessary inquiry is made into the circumstances of the applicant.

4700. The revenue is chiefly collected by the native servants of the collector?—The heads of the villages are the collectors.

4701. Under the ryotwar system?—Yes; and he pays it over to the tehsildar, who repays it over to the provincial collector.

4702. Did not Sir George Barlow expect by the alteration he made
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in the revenue in 1809, that he would have been able to have raised the revenue equal to that which the assessment then was without the reduction of Sir Thomas Munro?—He did expect it, and completely failed in his expectations.

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4703. Did the settlement made by you in Coimbatore differ materially from the general system of ryotwar introduced by Sir Thomas Munro?—In no respect.

4704. It has been stated by a witness before the Committee, Mr. Mill, that in that settlement of Coimbatore the putticut plan was adopted?—That is founded upon a misapprehension; such a plan was proposed by me, and seconded by Mr. Thackeray, who was acting for me, but it was never carried into effect. The proposition arose from the situation of some of the lands in Coimbatore; it is a great cattle country, and there is a large quantity of pasture land. In other districts the pastures are held rent-free; in Coimbatore they pay a light tax amounting to one-fourth or one-fifth of the fixed assessment, so long as it continues pasture: when the land is tilled and produces corn, it pays the full assessment. In the same way, lands that depend for their produce upon the falling rains pay a much lower tax than lands artificially irrigated. The object of this putticut plan, which means lands entered in the ryot's puttah, was that the ryots should be enabled to convert their pasture lands into arable lands, and their common dry fields into gardens, for a certain number of years, without paying the full maximum assessed upon them.

4705. It is stated by the same witness that there is this material difference between the two, that after the field survey and valuation were made, one sum was assessed upon the ryot for the whole of his holding, and he engaged to pay it for a year?—That was the proposition, but never carried into effect.

4706. It is stated that the putticut system was acted upon for nine or ten years?—That is a misapprehension, it never had existence; but there is, in point of fact, very little difference between what is intended by the putticut system and the system that prevails now: I stated it to have originated in that tenure of the land which makes the ryot pay a small sum for pasture land; when he turns it into corn-fields he pays the common assessment; and the object, as I stated, was that for a certain number of years, I thought ten years, he should be allowed to convert his pasture into arable, and the arable into gardens, without any alteration as to the assessment. The system now is to give a term of years to the ryot, who converts his arable field into garden land, before he is called upon to pay the full amount of the maximum assessment; so that, in point of fact, there is very little difference between the two systems. Under the present system, each field with its specific assessment is entered in the accounts, and in the ryot's puttah.

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4707. The Committee understand from Mr. Mill's evidence, that according to the working of Sir Thomas Munro's system, a species of settlement is made with the ryot annually : that every year, before harvest, his crops are surveyed, to ascertain whether he shall be able to pay the maximum for that year, or whether an abatement must be made, and to what extent?—No survey is ever necessary after the first grand survey is made, except for a remission ; there is no such thing known as an annual survey of the crops ; the settlement there spoken of is the settlement of accounts between the government and the ryot at the end of the year. In a country like India, where the great mass of the people are poor, and the seasons uncertain, a remission of the assessment is necessary. In this country the landlords are constantly obliged to give up a portion of their rents, when seasons are adverse, or markets bad.

4708. Is it or not the fact, that an annual survey of the crops is made with that view?—A survey is made of the crops of those ryots who may apply for a remission.

4709. But from the fluctuation of the seasons, or the poverty of the ryots, or other causes, is not the assessment a matter of annual assessment or nearly so?—I should say decidedly not ; the great mass of the ryots pay from year to year the same sum.

4710. It appears from the same evidence there has been a fuller experiment of the ryotwar system in Coimbatore, inasmuch as there has been no interruption to that system in those districts since it was originally made by Sir Thomas Munro ; is that the fact?—The survey of Coimbatore was not made by Sir Thomas Munro in the first instance, but by Colonel M'Leod, and it was interrupted by the village lease system ; that obtained from 1809 to 1812, and again from 1813 till towards the end of 1815 ; the ryotwar settlement has been continued from 1815 till I quitted in 1829, and continues in force at this moment.

4711. The abatement made by Sir Thomas Munro, the Committee understand you to say, was from forty-five to somewhere about thirty-three and twenty-five per cent. ?—Yes, of the gross produce. It was intended that in no instance the amount of the assessment should exceed what was considered one-third of the gross produce of the lands, and in some instances only twenty-five per cent.

4712. Did you ever receive peremptory orders from home, through the Madras government, to take care that no more than the rent of the land was taken?—I have no recollection of having received any such particular orders, but I considered myself completely restricted from increasing in the smallest degree the fixed assessment upon the lands.

4713. In the Ceded Districts did the same interruption in the ryotwar system take place?—I have already stated that it was interrupted in 1809, and not re-established till 1823.

4714. Was

4714. Was it over the whole of the Madras presidency, where the permanent system was not in effect?—Except in the provinces of Malabar and Canara.

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4715. Do you conceive, in those districts in which the ryotwar system has been fairly tried, an improvement has taken place in the circumstances of the people?—It is not matter of opinion, but of record, that such an improvement has taken place.

4716. To your own knowledge can you state an instance of a person under the ryotwar system making an addition to his property?—Yes; two or three instances that I adduce are strongly in point upon that subject; instances can be found of such improvement in every village in the province. The aggregate improvement is shown in the statement I have given in; it is the only system where the whole fruits of the ryot's industry go directly to himself, and in which the government do not participate.

4717. Always supposing the assessment is moderate?—Yes.

4718. By the paper given in it appears that the quantity of cultivated land has gradually increased?—Yes, every year.

4719. Must not that have been effected by the capital of the ryot?—No doubt; there is an increased population and increased capital, and in one of the columns it will be seen that there is a gradual increase of what is called garden land.

4720. It has been stated by Mr. Mill, that there is not anything on the records of the Company that indicates this increasing prosperity, beyond the fact of the facility of collecting the revenue; are not the facts you have given in to the Committee upon this paper necessarily within the cognizance of the Court of Directors?—That statement is drawn up from official records, which are submitted to the government of Madras every year, and which contain information of the most minute particulars as to the condition of the property, the improvement of the lands, the increase of stock and capital, and everything connected with the country; it is the most complete statistical record that can be made.

4721. On the subject of the reductions made to those ryots with whom those settlements have been made, in bad seasons, is not it a matter that is open to much fraud and corruption?—To less fraud and corruption under the ryotwar system than under any other mode of settlement, inasmuch as each field bears its separate assessment; and the collector being in constant communication with the ryots, is more likely to understand their circumstances, than under the zemindary settlement or the village-lease system, where he knows nothing about them.

4722. What check is there upon the representations of the native servants with a view to such reduction?—There is that check which one native gives to another; a proposal for a reduction of the assessment must be made through the head of the village, who is a person residing in the village with
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the ryot who makes the application for the reduction, and that person must be acquainted with his circumstances, so as to know whether he is able to pay it or not. He makes his representation to the tehsildar, who is the district collector; and if he has any reason to suspect a fraud is intended, he deposes a person to survey it and inquire into the circumstances, to ascertain whether he has reaped a fair crop or half a crop.

4723. Whom does he depute upon such an occasion?—One of his assistants. There is exactly the same check there upon a fraudulent application that any landlord has in this country when a farmer comes and asks him to abate his rent; the landlord must trust to the representation of his tenants; if he distrusts them he must depute somebody to make more minute investigation.

4724. In the event of a ryot, with whom a settlement has been made, not being able to pay his kist, what is the consequence?—If he is unable to pay it, a remission is made; and if he fails altogether he abandons his land, and falls into the class of labourers.

4725. What is done with the lands?—They are left till somebody chooses to take them at the fixed assessment.

4726. Is the village under this system made in any case responsible for an individual ryot?—No, and I think it a very great pity they are not so in some cases. That was Sir Thomas Munro's recommendation, but it was not carried into effect. It was the universal practice under the native government, and is the practice under all other systems; it is the only real check upon fraud; where other individuals are made responsible for the defalcation, they will take care no fraudulent applications are made for remission.

4727. In case of an industrious ryot being able to accumulate property, has he any way of disposing of it?—It is either appropriated to the improvement of the land, or dissipated in weddings and feasts among the family, or employed in trade.

4728. Do you not think if banks were established it would tend to encourage industry?—Yes, I made the suggestion myself; I thought it would tend very much to do so.

4729. The irrigation of the land is always conducted by the capital of government?—Yes, in almost all instances, but Coimbatore forms an exception; the wells are there made by the ryot's own capital; the large works, dams, and tanks, are effected by money from the public treasury, but the great source of irrigation is the wells executed by the ryots themselves.

4730. Are there any meerassadar rights in Coimbatore?—Every ryot is a meerassadar; he is the owner of the land.

4731. You consider them hereditary proprietors?—Yes.

4732. Is salt and opium a monopoly in Coimbatore?—There is opium, but it is not monopolized; salt is a monopoly.

4733. Where is the opium produced?—The Nilgherry mountains.

4734. Is

4734. Is not the tobacco monopolized?—The tobacco, the produce of Coimbatoor, is monopolized for the consumption of the neighbouring province of Malabar. 1 Sept. 1831.
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4735. When you stated the crops were not valued, is it not one principle in the valuation, to value the land according to the crops it is able to produce, such as indigo, sugar, or beetle vines?—When land is *originally* surveyed, every thing that can affect the value of the land is taken into consideration; what crops it can bear, and so on; when the assessment has been once fixed, no further valuation is made of the crops with a view to re-assessment. In this country, in other parts of Europe, and in America, most minute surveys are constantly carried on for the purpose of ascertaining the value of land.

4736. Was not there a considerable defalcation in the province of Coimbatoor on the part of a collector?—When I took possession of it, there was a defalcation on the part of one of the native servants.

4737. Of the name of Cassee Chitty?—Yes; the great source of speculation was in the tobacco monopoly, and the money advanced for the repair of the tanks, &c.

4738. What do you consider to be the difference between the systems of land revenue obtaining in Canara, Malabar, and Coimbatoor?—There is this great distinction between Canara, Malabar, and Coimbatoor: the system of Coimbatoor is founded upon a survey made in our own time; in Canara and Malabar, a survey was made in very ancient times; no systematic resurvey has been made by us.

4739. The alterations that have been made with respect to the collection of the revenue ought, according to law, to be founded upon actual regulations of the government, ought they not?—It is not, I believe, imperative upon the government to pass a regulation; the revenue is now collected as it always has been.

4740. Is it not required by the Act of Parliament that there should be no alteration in that respect, without a regulation passed by the government?—There is no alteration that I know of in the collection of the revenue.

4741. The simple fact of granting the puttah is a very material change?—That was the usual practice under the native government; it is the usage of the country.

4742. Is it considered that the increased value afforded to land by irrigation, or other modes of farming, would form a fair subject of assessment?—The lands are so assessed; the most distinct answer I can give to that question is, that the land is divided into two great classes; lands artificially irrigated, and those lands that depend for their produce upon the falling rains. Lands artificially irrigated bear five or six times a higher assessment than lands not irrigated.

4743. In point of fact, is the land so improved assessed higher, as to its gross

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gross produce, than the other lands?—It is absolutely higher; the increase of assessment upon such lands is very great, but the tax, compared with the value of the produce, is lighter.

4744. Do you think that the difference would be equal to the interest upon the capital so employed in the improvement of the land?—The difference of the assessment between the lands irrigated, and the lands not irrigated, is such as to make it an object for the ryot to employ his capital in improving the lands; the assessment is now so adjusted, as to make it the absolute advantage of the ryot to convert the lands that depend for their produce upon the falling rains, into irrigated lands, inasmuch as the tax is lighter upon that land than the land that depends for its produce upon the falling rains, and he is constantly in the habit of doing it.

4745. If an individual proprietor makes an improvement with regard to irrigation, sinking a well, or any other mode, how does the government treat him under those circumstances?—In Coimbatore they give him five full years, for the reimbursement of the capital employed, before the land passes from that class of lands depending upon the rains into that class of lands artificially irrigated.

4746. By the return you have given in, the quantity of live stock in the country does not appear to have increased in the same ratio with the population or the number of villages; can you account for that?—Very likely from frequent murrains among the cattle; there were two or three years when there was a severe murrain, and it is not so easy to take an accurate account of cattle as of men.

4747. You said, in all instances the head of the village, in the first place, collected the revenue; how is he appointed?—From time immemorial, it is his hereditary office so long as he conducts himself well; it has been so from the most remote times.

4748. Does he receive any salary from the government?—He has service lands.

4749. Which he has always held?—Yes; he and his predecessors.

4750. What power has the collector over him?—He can dismiss him if he behaves ill; there is a regulation for his punishment, as well as that of any other officer who abuses his trust; the collector has power over him and all his establishment.

4751. Though hereditary he is liable to removal?—Yes, if he misconducts himself.

4752. What check is there upon the collector?—A very imperfect check indeed; it is a partial check by the Board of Revenue, and partial check by the government.

4753. Is not the collector bound to report to the Board of Revenue any instance of the kind you are now mentioning, the dismissal of any village officer?—

officer?—Yes; he is obliged to send in periodical returns of the dismissal of servants upon his establishment.

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4754. Under whose control is the village accountant?—Under the collector's.

4755. What are the particular duties of the village accountant?—He has the custody of one copy of the village records, in which is included all the lands of the village, and the names of the different proprietors.

4756. Is he appointed by the tehsildar?—His office is hereditary.

4757. Is he paid by land?—Yes.

4758. Upon what principle does a money commutation take place?—It was originally made with reference to every circumstance that can affect the value of land: upon the rice lands, where the government received a share of the crop in kind equal to from 40 to 60 per cent., the tax was commuted for a money rent, upon the average selling prices of a certain number of years.

4759. That does not alter now?—No; it is fixed.

4760. Are you at all aware of the mode of raising the revenue in Tanjore?—The revenue was raised in Tanjore for some time by dividing the crop with the government; for a short time there were triennial leases and quartenial leases and quinquennial leases, and now the ryotwar system is about to be introduced, fixing the assessment upon each particular piece of land.

4761. Do you remember having made a report to the board of revenue, stating that the people of Coimbatore have just cause of complaint against the government for their interference in their cultivation and disposal of tobacco, after having permanently fixed the land assessment, and that you observed, that “to make free markets, free prices, and unrestricted cultivation, the data for assessing land, and then to shut the markets, regulate the prices, and restrict the cultivation, was surely to trench upon private rights, and to violate public faith?”—Yes, I have a perfect recollection of having made that report.

4762. Does that system still exist?—Yes, it does.

4763. Did you report the consequences of that system?—I did.

4764. Did you further report that the burning and plunder of villages, where the ryots refused to sell their tobacco to smugglers, was not an unfrequent attendant upon smuggling, and that Mr. Commissioner Græme had noticed that the present system augments the duties of the collectors, magistrates, and courts of justice, inasmuch as it raises a host of smugglers, and consequently an increase of crime and frauds without end amongst the native servants; were those the consequences that you reported?—Yes.

4765. That system still continues?—Yes; and a more important consequence was, that under the operation of this system, the consumption of tobacco at Malabar had decreased, with an increasing population, upwards

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of 40 per cent. ; that was stated in the report of Mr. Commissioner Græme, who was sent to Malabar to report upon the state of Malabar.

4766. You also stated, in the joint report of Sir Thomas Munro and yourself as commissioners, that the ryots have suffered, on account of the tobacco alone, a total loss in four years of four lacs and 55,000 rupees ?—We did.

4767. Of course you have a perfect knowledge, after a residence of fourteen years, of the produce and capabilities of the Coimbatore district ?—I have.

4768. Will you be so good as to state them to the Committee ?—I have a perfect recollection of them, and I have embodied them in this memorandum, which I will read. “ The area of Coimbatore is 8,500 square miles, its population 850,000, its elevation above the sea 1,100 feet. Mountains rise from its base to an elevation of 9,000 feet ; it is capable therefore, from the diversity of its temperature and soil, of yielding every species of European as well as of tropical produce. It is intersected by rivers, from which canals are taken off for irrigation ; these, at a comparatively small expense, might be so prolonged and enlarged as to make a canal communication from one end of the province to the other, and to connect the eastern and western coasts. The principal products of Coimbatore are iron, cotton, saltpetre, tobacco, elephants’ teeth, sandal-wood, opium, sheep, cattle, and grain of every description. The potato grows in great perfection on the Nilgherry mountains, where meat and butter are also cured. The sugar-cane is common ; coffee has been tried and has been found to answer remarkably well. The mulberry grows in some parts of the province, and might be extended to all. The best kinds of the tobacco are monopolized by the government. The cost of a candy of tobacco in Coimbatore is about 22 rupees ; the monopoly price at Polyhant in Malabar, twenty-five miles distant, is 175 rupees. Tobacco, from the moisture of the climate of that province, is next to a necessary of life ; the enormous price put on by the monopoly deprives the lower classes from the legal use of it. Smuggling to an immense extent has been the consequence of this monopoly system. It was ascertained, in 1822, that the consumption of tobacco in Malabar had declined, under the monopoly system, nearly 40 per cent., the population having in an interval of nearly twenty years very greatly increased. Tobacco being the most valuable product of the land in Coimbatore, any system that checks the consumption of the leaf checks the growth, and injures the land revenue of Coimbatore ; the revenue therefore derived from the monopoly in Malabar is, in fact, raised at the expense of the land revenue in Coimbatore, and by a system the most oppressive that can be imagined. The people in Malabar now pay about 200 rupees for a bad article ; they used to pay but 60 rupees for the best description of the leaf. The land-tax in Coimbatore, upon the lands which yield this tobacco was fixed in 1800, with reference to unrestricted cultivation, to free markets and free prices : in 1812 the government prohibited the cultivation, except upon government licenses, and in quantities
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and prices fixed by the government, but no alteration was made in the land-tax. This was a breach of faith. A large portion of the cotton produce, as well as of the saltpetre, has always been taken by the government; sometimes by agency, sometimes by contract, which, though nominally open, is in fact a close contract. The cotton, which fetched so high a price at the Company's sales in August last, was the produce of Coimbatore; as it grows upon the poorest soils, the produce may be carried to any extent.

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“The great fertility of Coimbatore, its varied produce, and its proximity to the Malabar coast, render it of great importance in a commercial point of view; and its importance in this respect would be much enhanced if the communication with the Malabar coast be improved either by opening canals or by the construction of a railway. A plan for opening a canal communication has been sketched in the appendix to the pamphlet on the ryotwar system, which I drew up for the information of the authorities in this country; and as iron ore is found in great abundance immediately upon the frontier of Malabar, there appears to be every reason to believe that a railroad might be constructed without any very great expense. The commerce of Coimbatore is now shackled by the imposition of an additional custom-duty on its entrance into Malabar. This is a crying evil. Gold has been found on the Nilgherries, a blue mountain of Coimbatore; and is collected of a very pure kind and in some quantities in the district of ‘Wynaad,’ which is immediately below the mountains.”

4769. You have stated your opinion of the native character, as far as you have had an opportunity of observing it, to be generally very favourable; do you confine that opinion to the natives of the district of Coimbatore, or to the Peninsula generally, as far as your knowledge extends?—It is a general opinion, as far as I have had an opportunity of observing it.

4770. You have visited Calcutta and Bombay?—Yes, I have.

4771. Consequently you can speak from your own experience?—Yes, my impression was very favourable, particularly of the Parsees of Bombay.

4772. Would you not be disposed to place as much confidence in the natives of India, as you would in your own countrymen?—Yes, if equally well treated.

4773. Are they not extremely anxious to be raised in the scale of society?—I consider them to be most anxious to be raised, and to feel acutely the depressed state in which they are kept.

4774. Have you not found that feeling to be general throughout India, as far as you have had an opportunity of observing?—Yes, universal, as far as my observation has gone.

4775. Are they not more anxious, in your opinion, upon that score, than even for the improvement of their worldly circumstances?—Yes, I think that is the feeling dearest to their hearts, to be entrusted with that degree

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of power and official emoluments they invariably enjoyed previously to our obtaining possession of India.

4776. Have you not found, where you have placed confidence in natives, it has generally or always been rewarded by a faithful discharge of their duties?—It has been very frequently so. I have had cause to complain, like others, whose confidence has been abused.

4777. Are you not of opinion, that the more they are encouraged, and the more they are admitted into the employment of the government of the country, the more they will improve themselves?—I am decidedly of that opinion; and I should think that the best system that could be established at this moment, would be to entrust all the details of the revenue, and all the original suits in judicature, to natives, leaving the business of control to Europeans; the natives would do the details much more effectually than Europeans.

4778. Would not the situation of European servants in India be most completely helpless without the assistance of the natives?—Yes, entirely so.

4779. So that they may be said to be mainly dependant upon the natives for carrying on the affairs of the country?—I consider the most efficient officers of the government quite helpless without the assistance of the natives.

4780. Do you consider the natives of India a very sensitive race of people, and alive to kindness?—Yes.

4781. And grateful for it?—I think so, certainly.

4782. And anxious to make suitable returns?—Yes, I think so certainly; I speak under qualification here, but fully as much so as any other people with whom I am acquainted.

4783. Is much of the produce of Coimbatore exported?—A very large proportion.

4784. Where is it sent to?—The cotton principally to China; it is taken by the Company.

4785. Is any sugar exported?—Yes, in a rough state; what is called juggary; it is exported by sea.

4786. Is any cotton sent by Madras now?—A small quantity.

4787. In what way was the cotton sent to Madras?—It was collected at Coimbatore, and sent by land carriage, by carts, to Palamcottah, a distance of 180 miles; there it was screened, then sent to the coast of Tinnevely, a distance of 30 miles, making a land carriage of 200 miles; it is then sent across the surf, put into boats and sent to Madras; re-embarked at Madras, and again sent across the surf, and kept there until the arrival of the China ships; it is then reshipped across the surf for China.

4788. This occasioned, of course, a great increase of price?—Yes, and it has caused the abandonment of the trade.

4789. Would

4789. Would it not be cheaper to ship it from the Malabar coast?—Yes, certainly. 1 Sept. 1831.

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4790. How is the cotton purchased by the Company?—It is taken by close contract, not an open contract.

4791. Was the market open?—Yes, entirely.

4792. Are all the cultivators of land meerassadars?—All the proprietors of land are.

4793. What proportion do they bear to the cultivators?—I cannot state that; I will ascertain it.

4794. Are there any hereditary occupants who are not proprietors?—All the occupants are recognised by the government as proprietors; they have free leave to sell or mortgage.

4795. Is there any hereditary class similar to that in Bengal called the khood-caste?—No, there is not; there is nothing analogous to it.

Jovis, 15^o die Septembris, 1831.

THOMAS LANGTON, Esq. again called in, and examined.

4796. HAVE you considered the observations made on your evidence by Mr. Melvill, in his examination on the 30th of August last?—I have had an opportunity of perusing his evidence since it was printed, and I have considered it attentively, but I regret that I have had so little time to arrange what I have to observe in reply; if I had had one-fourth of the time that I have waited for Mr. Melvill's coming forward, my evidence might have been in a more suitable state for the Committee. 15 Sept. 1831.

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4797. Mr. Melvill, in answer to Question 4433, previous to going into any examination of the accounts prepared by you, makes some general remarks on the subject of them; have you anything to observe to the Committee relative to those remarks?—Mr. Melvill quotes different Acts of Parliament in which the debt in India is mentioned as being a territorial debt; he infers from these that the question, as to the origin of the debt, has been long settled by competent authority, and that all discussion on the subject must now be useless, unless it be intended to revise all former decisions of Parliament upon the subject of the Company's accounts. Mr. Melvill must surely recollect that it is entirely owing to his own evidence on the 7th June last year, (5671 of 1830) in which he reverted to the transactions of the earlier periods of the Company's mixed territorial and commercial character, that the subject has been taken up by me. His assertions

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T. Langton, Esq. assertions on that occasion have appeared so much at variance with the inferences which have been drawn by those equally competent at least to judge of the subject, I mean the Committees of Secrecy of 1783 and Select Committee of 1811, that the well-known expressions in the Acts alluded to, whatever may be the conclusion drawn from them, ought not to be a bar to a review of the facts on the occasion of the pending inquiry.

4798. Mr. Melvill, at the close of his reply to Question 4433, states his opinion that the commercial branch has never had full justice done to it in the accounts; do you conceive there is any ground for that remark?—If full justice has not been done to the Company, the fault can only lie with themselves, with whom the preparation of the accounts entirely rest. In reply to the question, I must however say, that I have seen nothing to change the opinion expressed by me, in my reply to Question 2927, that a decided disposition to relieve commerce at the expense of territory is apparent in the accounts.

4799. Mr. Melvill, in answer to the same question, expresses an opinion that you put a construction upon the language of the Second and Third Report of 1810 and 1811 which the passages quoted by you do not admit of; have you anything to observe on this head?—I remain fully persuaded, that whoever will attentively compare the two last pages of the Third Report with the quotations by me, (from 2906 and 2908), will admit that they will bear no other construction than that which I have put upon them, whether the Acts of 1812 and 1814 be in conformity with them or no; and the inference which Mr. Melvill draws from the balance of supplies, stated near the close of the Report, is vitiated by the adjustments, which are pointed out as requiring to be made in the very next paragraph.

4800. Mr. Melvill has also expressed a decided opinion, that the Company's commerce was in a flourishing state previous to their being engaged in warfare; have you any observations to make upon that?—It does not appear to me to bear much upon the question. I do not dispute the fact, and believe even that for many years the departure of the Company from their commercial character, and their connexion with the territory, was very unfortunate for both interests; but I think it may well be doubted whether, without that connexion, the proprietors of India stock would have enjoyed uninterruptedly, for near forty years, dividends higher than they ever shared before the acquisition. The control exercised over the Company by the Legislature, though its interference and claim to participation were greatly complained of, probably saved them from ruin, and to its forbearance in later years they owe the greatest part of their present capital.

4801. Mr. Melvill states, in answer to Question 4443, that you have deviated from his arrangement of periods, and omitted some years; what was the cause of your not following exactly his arrangement?—The accounts
 from

from which I drew mine give the years for Bencoolen and China, in conjunction with those for the presidencies, in the way I have stated them. The reasons for this I cannot explain, and have merely conformed to what appears to have been practised generally by the Company with regard to those two places. With regard to the year 1780 being omitted in my account, both statements embrace the same length of time up to 1778-9, which the accounts state to be as late as they can be made up to. I take the surplus actually drawn from the revenues for the same years, in which the supplies from Europe are furnished; Mr. Melvill's account takes the net proceeds for which the investment, purchased with that surplus, sold in England in the year following, and the supplies from England in that preceding. With regard to the second period, I have stated (2904) the source from which I framed the account, and Mr. Melvill must know that the extracts in this compendium only commence with the year 1781-2; and as to the omission of the last year, Mr. Melvill, in his division, names 1793 merely (not 1793-4), I therefore concluded 1792-3 was meant, and that his third period commenced at the same point as the inquiry of the Select Committee of 1810.

4802. Mr. Melvill (4444) states that you (at 2876 of your evidence) attached a higher character of authority to the documents from which you had drawn your accounts than to those to which his evidence (at 5671 of 1830) referred. But he says the documents referred to by him were Parliamentary documents, and that they were examined and sanctioned by a Committee of the House of Commons, in a Report of the 12th March, 1783, in which it is stated, that, after what the Company had received from the revenues, and paid to Government, they were left in disburse, on account of the wars by which the territories were acquired, to the amount of £3,616,183 besides interest. He further refers the Committee to two Acts of 23 Geo. III, wherein it is declared that the Company's embarrassments are owing to the wars and hostilities in India and Europe. Mr. Melvill then states, that Parliament adopted and acted upon the statements of the Committee, at a time when the Company's accounts were subjected to a most rigid scrutiny by some of the most clear-sighted statesmen of the day, and are more to be relied on than those you have prepared after the lapse of half a century, when the accounts which you have followed were all before Parliament. What observations have you to make upon that statement of Mr. Melvill?—If I had no other grounds for the views I have sought to impress on the Committee than the accounts I have presented, I might be reduced to abandon them as untenable; but as those views do not depend on, but only receive corroboration from the accounts; as they are confirmed and borne out by the Report of a Parliamentary Committee, the Committee of Secresy, sitting at the same time with that Committee which Mr. Melvill refers to; and as Mr. Melvill himself describes the persons composing that Committee, to which I am in a great degree indebted for my opinions, as composed of some of the most clear-sighted statesmen of the day, I see no reason

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reason to give them up. I must request the Committee to permit me to contrast the two Committees, and the objects for which they were appointed. In consequence of the embarrassments of the Company, the Committee of Secresy was appointed in 1782, to inquire into the whole of the Company's affairs, and into the causes of the difficulties under which they laboured ; this Committee was to sit at the India House, to examine papers and persons, and to adjourn, as to time and place, at its discretion. Its inquiries were most minute, and its Reports included every branch of East India affairs. Its Ninth Report more particularly embraced the subject in question, and the views it holds out of the origin of much of the early debt are conformable with those which I stated in 2889, but expressed in much stronger language than would be proper for me to use before the Committee. I might fill many pages of your Minutes with extracts from these Reports, in confirmation of my assertion, and I hope to be permitted to quote a few passages in corroboration of it. But the Committee of Secresy, notwithstanding the opinions to which I have alluded, was not opposed, I believe, to the Government interposing to relieve the distress of the Company at this juncture, yet its Reports would have afforded but an awkward ground-work for the relief which it was intended to give ; and the petition of the Company, presented on the 5th March, must, I suppose, have been intended to lay the foundation for those Acts, which were eventually passed for the purpose, and to which Mr. Melvill has alluded. The petition presented on the 5th March, 23 Geo. III., was referred to an open Committee, which reported on that day week that the allegations of the petition had been proved by the officers of the House, and on the 2d July, 1783, Resolutions were adopted, recommending certain measures of relief, which the Acts of 23 Geo. III., c. 36 and 83, enacted. As the foundation for these Acts, I admit that the petition, Report and Resolutions above described were most appropriate steps ; but when the object is to inquire, after a half century has gone by, into the effects of the transactions of those times on the present relative situations of the two branches of the Company's affairs, I submit they must be very unsatisfactory, especially when the deliberate opinions of the Committee of Secrecy, formed after such an investigation as has been described, might have been resorted to by Mr. Melvill, if they would have suited his purpose. If I may be permitted, I should wish to quote a few extracts from that Ninth Report, in confirmation of those observations. In the Ninth Report of the Committee of Secresy, made on the 25th of June 1783, it is said, " A new way of supplying the market of Europe, by means of the British power and influence, was invented ; a species of trade, if such it may be called, by which it was absolutely impossible that India should not be radically and irretrievably ruined, although our possessions there were to be ordered and governed upon principles diametrically opposite to those which now prevail in the system and practice of the British Company's administration." Again, it is said, " But with all these endeavours of the Presidency, the investment sunk in 1769, and they were

were even obliged to pay for a part of the goods to private merchants in the Company's bonds, bearing interest. It is plain that this course of business could not hold." Then it is said, "Notwithstanding the famine in 1770, which visited Bengal in a manner dreadful beyond all example, the investment, by a variety of successful expedients, many of them of a most dangerous nature and tendency, was forcibly kept up, and even in that forced and unnatural state, it gathered strength almost every year. The debts contracted in the infancy of the system were gradually reduced, and the advances to contractors and manufacturers were regularly made, so that the goods from Bengal, purchased from the territorial revenues, from the sale of European goods, and from the produce of the monopolies, for the four years which ended with 1780 (when the investment from the surplus revenues finally closed), were never less than £1,000,000 sterling, and commonly nearer £1,200,000. This £1,000,000 is the lowest value of the goods sent to Europe, for which no satisfaction is made." To this there is the following note: "A sale, to the amount of about £100,000 annually, of the export from Great Britain, ought to have been deducted from this £1,000,000." It is subsequently said, "Your Committee find that there has also been at Madras an investment on the Company's account, taking one year with another, very nearly on the same principles, and with the same effects, as that from Bengal." The whole of the following section on the internal trade of Bengal is very important, but I wish to quote only one of the last paragraphs of it: "Your Committee are of opinion, that the Company has now arrived at that point, when the investment from surplus revenue, or from the spoil of war, ceasing, it is become much more necessary to fix its commerce upon a commercial basis, and this opinion led your Committee to a detailed review of all the articles of the Indian traffic upon which the profit and loss was steady; and we have chosen a period of four years, during the continuance of the revenue investment, and prior to any borrowing or any extraordinary drawing of bills, in order to find out how far the trade, under circumstances when it will be necessary to carry it on by borrowing, or by bills, or by exportation of bullion, can be sustained in the former course, so as to secure the capital and to afford a reasonable dividend. And your Committee find, that in the first four years the investment from Bengal amounted to £4,176,525; upon £2,260,277 there was a gain of £186,337, and upon £1,916,248, a loss of £705,556; so that the excess of loss above gain upon the whole of the foregoing capital was, in the four years, no less than £519,229. If the trade were confined to Bengal, and the Company were to trade on those terms upon a capital borrowed at eight per cent., Indian interest, their revenues in that province would be soon so overpowered with debt, that those revenues, instead of supporting the trade, would be totally destroyed by it. If, on the other hand, the Company traded upon bills, with every advantage, far from being in a condition to divide the smallest per-centage, their bankruptcy here would be inevitable."

4803. Do you think Mr. Melvill has any authority for considering the sums spent in the wars, namely, at £5,069,684, as a debt owing to the trade?—

4 X

I think

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I think he has not; and, with the permission of the Committee, I will state my reasons for that opinion. It is stated in the Report of the Committee, on the 12th March 1783, that Government had unexpectedly made a demand on the Company in of £634,645, on the ground of that amount being yet due to make up the three-fourths of the net profits realized by the Company. It appears from this circumstance, that though the sum of £400,000 is named in the Act of 7 Geo. III., as what was to be annually paid in participation, this was the proportion of those net profits to which Government asserted their claim. In the Act of 21 Geo. III., the same proportion is again reserved in granting to the Company the possession of the territories and revenues for ten years; and when, in 1783, the Company in their petition, amongst other things, beg that the term may be prolonged, they allege, as a reason why the public should not object to a long term, that they can never require more than three-fourths of the profits of the territory. If, therefore, Mr. Melvill's assumption that the £5,069,684 spent in the wars, is to be looked on as a debt due from the territory to the Company, and that only the one-fourth remaining to them, after the three-fourths to Government were paid, was to be considered as the portion liquidated, it would follow that this territory, which is never spoken of as a conquest, but sometimes as a cession and sometimes as a grant, was to be virtually charged, immediately on its acquisition, with a debt of twenty millions, liable, according to Mr. Melvill, to interest on one-fourth of what remained unpaid, a proposition so monstrous, that, even were it sanctioned by an Act of Parliament, every feeling of justice would revolt at the idea. But it has never received such a sanction; and the fact is, that in no one of the many petitions the Company have preferred to Parliament for assistance and forbearance in their difficulties, and in which petitions their various grievances and merits are detailed, in no one of the Acts of Parliament which have been passed to relieve them and regulate their affairs, nor even in their petition of the 5th March 1783, nor in the Report thereon of the 12th March 1783, quoted by Mr. Melvill, in 444, has this outlay been spoken of in terms which indicated that it had ever entered into the imagination of any one to consider it as a debt due from the territory of India, till, on the 7th June 1830, Mr. Melvill chose to represent it in that light.

4804. What do you mean by twenty millions?—The amount which they have spent is five millions, but the Government claim to have three-fourths of the net revenues; therefore, whenever they took any money from the net revenues, the Government claim to have three-fourths of it, and consequently twenty millions must be paid before the Company got their five millions.

4805. You mean that whenever revenue became surplus, the Government would have claimed their proportion of it, and that if the Company had been repaid the five millions, the Government would have received fifteen millions:—Yes; that is the principle upon which the thing proceeded at that time.

4806. Was

4806. Was there at that period any public understanding that the Government should have three-fourths of the surplus?—In 1767 is the first Act, and the terms of the Act are, that Government shall have £400,000 annually. Only £400,000 is mentioned; but in 1781, after the payments had been suspended for some time, they came upon the Company again with a claim of £634,645, upon the ground of that amount being yet due, to make up the three-fourths of the net profits realized by the Company. They had had £2,169,000, but the Company had realized £3,616,000, therefore there was still wanting to the Government £634,645, in order to make up their three-fourths, from whence I infer that the understanding was that it was to be three-fourths. There was a negotiation, and finally the Government agreed to take £400,000 in full of the claim of £634,645, of which £300,000 was paid, and £100,000 remained unpaid. In answer to Question 4446, Mr. Melvill states it as a mistake of mine, that I consider it unjust to claim as a debt from the territory the amount paid to Government for permission to appropriate the surplus territorial revenue, and adduces as a proof of my error, the provision of the Act of 7 Geo. III., that the amount payable to Government should be reduced in proportion to any loss of the territory that might be sustained, which I think has no bearing on the question. It is obvious that if the Company should hereafter be dispossessed, either wholly or in part, of the country from which the net profits were to arise, in which Government asserted a right to participate, the share of the public therein ought to be diminished in proportion to the loss of revenue sustained, which is all that can be meant by the clause of the Act of 7 Geo. III., referred to. But so far from making this claim on the territory of India, the Company, in their petition of the 5th March 1783, point out another party as the debtor for a portion of this £5,069,084, an undefined portion, it is true, but from the mode of expression, it might be inferred that the greater portion was intended. After describing the troubles in India arising out of the European wars, in which the expenses sustained by them out of their trading stock had amounted to the above sum, they proceed: “And the petitioners beg leave to submit to the House, that in respect of so much of this expenditure as related to European wars, the petitioners should have been indemnified by Government.” The petition goes on, “and as to so much as respected the mere Indian wars, which produced the cession of territories and revenue, the petitioners conceive it must be allowed, that if the Company, in obtaining the revenues, acted as agents of the State, they ought to be reimbursed their expenses as agents, and that the State ought not to avail itself of the benefit of the acquisition, without first making a satisfaction for the expenses.” This is not like a claim on the territory for the whole amount, with interest. The petitioners, great as they describe their distress to be, ask for no permission to draw more freely on the revenues of India, or to mortgage even their fourth part of the net profits of those revenues; they beg that so much of the £2,169,398 18s. 2½d. paid in participation, may be restored to them, as will enable them to go on with their affairs; or if that is not conceded, that the £300,000 last paid may be given back, or at least, that they may

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15 Sept. 1831. be released from the payment of the £100,000 still remaining due ; and if no other means of relief is granted, that they may be allowed to increase their bond debt ; but of a debt due from the territory to the trade not a thought is breathed. The surplus revenues of India were left in the possession of the Company, subject to their paying over three-fourths thereof to Government ; but the Acts of the 13th, 19th, 20th, and 21st of Geo. III., which renew this grant, pointedly describe the thing granted, not as the gross revenues, but as the *clear profits of the territorial acquisitions and revenues, after defraying the charges and expenses attending the same*, and beyond this no right over the Indian revenues ever appears to have been conferred on them. These limitations of the rights of the Company over the Indian revenue are not only inconsistent with the notion of a debt, chargeable on it at its acquisition, but they appear to me quite decisive as to the commercial character of the loans for investment, during the period in which a surplus revenue is admitted to have been realized. Another consideration is not to be omitted. The legislature has, from the year 1767, always asserted the rights of the crown to the territorial acquisitions of the Company, the possession of which has only been continued to them for terms of two, five, three, one, ten, and twenty years. It would be ridiculous to suppose that the possession granted for two years in 1767, and the permission to take the net profits of the revenue for that time, on the payment of £400,000 yearly to Government, could entitle the Company to charge the territory with a debt of five millions sterling ; and if they had not then the right, nothing which has subsequently taken place could give it them. It is perhaps unnecessary to argue longer against so groundless a pretension ; but as it is now asserted so confidently, and as on the assumption that it is proved or admitted depends entirely the computation of £186,849,452 at pages 420-424,* as well as the denial of what appears to me to be proved, *viz.* that if not the whole, at least a great part of the debt in 1780 was decidedly commercial, I would not omit to mention what I think is decisive as to the point in question.

* Page 651-657.

4807. Do you mean by surplus revenue, surplus over the whole Indian expenditure?—Clearly ; it is in several Acts repeated in the same terms ; it says, the clear profits of the territorial acquisitions and revenues, after defraying the charges and expenses attending the same.

4808. Do you mean to say that the home charges are taken into consideration?—I have no doubt that they are.

4809. Having gone through that Report particularly, have you found any notice of the expenses taken at the India House in the settlements they make?—I have not noticed them : Mr. Melvill does notice them, and points out where I ought to have seen them. Certainly they are very voluminous, and I have not been able completely to look through them ; but the home charges are in fact included in the earlier part, that is to say, the expense of raising and transporting troops, and certain other expenses.

4810. You

4810. You are aware that Mr. Melvill, in answer to question 4489, when one of those quotations from the 9th Report was read to him, admitted that immediately after 1765 the demand for remittances from India was excessive; but states, that their produce was applied to pay the Government £400,000 a year, and the remainder to reimburse, so far as it would go, the debt previously owing to the trade; and that (4477) he described all such investments as being required to defray the territorial payments in England. What have you to object to these statements?—Mr. Melvill assumes as a debt previously owing to the trade, what I think he has no authority for considering in that light. The amount of investment stated in the quotation, £1,200,000, a magnitude which it is said to have reached in both the last years of Mr. Melvill's first period, is expressly stated to have been in part effected by loan; now, as the territorial payments in England, by Mr. Melvill's own statement, are charged in the account which shows the realization of a surplus revenue in that period, his answer to 4477 cannot apply to this loan, which must, I think, be admitted to be commercial.

4811. You contest the right of the Company to consider the sums spent in war previous to 1765 a debt due from territory to trade; are you of opinion that the Company have been in any other way compensated for the money they disbursed in those wars?—I am of opinion that if the Company were not rather unreasonable, they would consider the money spent in those wars well laid out, and that those sums have brought them greater returns than any they ever laid out in a mere mercantile speculation. The immediate relief to the Company from the whole of the expenses of their establishments at the several presidencies and settlements is not denied by Mr. Melvill, and the prime-cost invoices of the investments and cargoes to Europe from India has already been mentioned as a proof that the whole of the commercial establishments at the presidencies and at the factories were defrayed out of the revenues. The increase of their power freed them from all dangerous interference of their former rivals in the Indian commerce; their trade was more secure, its field more extended; it was relieved from the payment of duties, which all their competitors had to pay. Mr. Melvill states this last item to have amounted to £47,000 annually since 1814, from which period their commerce has been again charged with them; but from 1765 to 1814 they had this advantage over all competitors, when the duties were considerably higher, and their own commerce much more important than it has been of late years. Here is a Statement of what the duties were in 1813 and after 1814, which will shew that they were very considerably higher than in the latest period, during which the duties annually amounted to about £47,000, so that this advantage alone, if computed with interest by Mr. Melvill, would materially reduce the amount of his Statement at p. 420.* Mr. Melvill states (4481) that this exemption from duties was a grant from the Mogul; it has been obtained, therefore, by the same means as the grant of the Dewannee, and is quite an appropriate set-off to the expenses of the war.

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STATEMENT showing the Rate per Cent. paid on (Goods) the Imports and Exports of CALCUTTA, under British and Foreign Bottoms, for the Years 1813, and 1814 to 1830.

	I M P O R T S.			E X P O R T S.			
	1813.*			1814 to 1830.			
	British Bottoms.	Foreign Bottoms.		British Bottoms.	Foreign Bottoms.	British Bottoms.	Foreign Bottoms.
	Per-Centage.	Per-Centage.		Per-Centage.	Per-Centage.	Per-Centage.	Per-Centage.
Cotton Piece Goods	7½	15	Indigo.. ..	free	10	free	5
Cordage	5	10	Cotton Wool ..	free	12 annas per maund.	free	12 annas per maund.
European Goods, } generally	10	20	Piece Goods ..	2½	7½	free	2½
Iron, raw or ma- } nufactured	10	20	Raw Silk ..	free	10	free	7½
Lead	10	20	Saltpetre ..	5	10	free	7½
Tin	10	20					
Tutenague, or } Spelter..	10	20					
Marine Stores ..	5	10					
Woollens	5	10					

* The rates of duties varied previous to 1814, and a correct statement of them could not be given for the whole period, from 1765 to 1814, except by a special Return from the India-House.

The great increase of valuable patronage which increase of territory generally brings with it, is also an advantage not to be despised, still less the long-continued enjoyment of a higher rate of dividend than they ever shared before 1765. I consider these advantages as ample compensation for all their outlay, though I believe they are not the whole of what might be enumerated. I think also it may well be doubted, whether the whole of the £5,069,684 should be considered as expense of war. Commerce, in turbulent times, is carried on at a much greater risk and expense than in seasons of peace, but also with much greater profits to counterbalance the risk and expense. The Company's commerce, during these wars, must have been in this predicament, and the imports invoiced, as in the second Account, at p. 251,* will have sold much more advantageously than in a time of peace, whilst the increased expenses in India are all thrown on the war account, and the commerce charged only as during the peaceable period from 1730 to 1745.

4812. Would not the dividends of the Company have been much greater before 1765, if the expenditure for the territory had not taken place?—I cannot, of course, give any positive answer upon that subject. The dividends were reduced, I believe, in 1755. From that time up to 1765 they were at six per cent., therefore, for ten or eleven years before the acquisition of the Dewannee they had been at six per cent.; they were afterwards raised to ten, if not twelve per cent. I have made an extract, from which it appears that the additional dividends which they received during that period, above what the rate of the dividends had been for the ten years previous to the acquisition of the Dewannee, amounted to about a million; that is, that the proprietors, during the fifteen years after the acquisition of the Dewannee, received near a million more of dividends than they would have received, if the dividends had continued at the rate they were at for the ten years previous.

4813. Have you made any calculation if that five millions and odd had been divided amongst the proprietors in dividends, instead of having been expended for territory, what the dividends would have been?—Certainly not.

4814. In answer to Questions 4445 and 4446, Mr. Melvill states the difference between your and his statements of the account from 1765 to 1780 to be £4,662,295; do you admit that to be a correct statement of the difference between you?—The difference, as a matter of account, between us is that between £6,115,979 and £3,622,969, or £2,493,010, arising in part from two errors, one of which, the home charges, by a more intimate acquaintance with the several Reports and Appendixes, might have been avoided; but I had had few opportunities of consulting these till after I had given my evidence, as will appear from my not having seen the territorial *receipt* in England for the expedition to the Manillas; and the account at page 252,* which Mr. Melvill says ought to have led me to these charges, I had only had a transient inspection of in the Journal-office, till I saw it printed in my evidence. The amount stated by Mr. Melvill may be correct, or at least near the mark; for I can discover no accounts, except from 1763

to

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to 1772, and I presume it is by an average from these that Mr. Melvill takes the amount. In this amount, however, I must admit my estimate to be over-rated; as to the other error, if it is one, for Mr. Melvill does not appear to be very certain of his facts, it is one into which I could not help falling, and even after Mr. Melvill's explanation, I must say it is scarce conceivable that losses or gains, by *batta* or exchange, when occurring in territorial payments and receipts, should be passed into accounts containing commercial gains and losses, and the nominal amounts only be entered in the territorial receipts and disbursements. These losses and gains by exchange, owing to the state of the coinage, must have equally occurred in the commercial transactions, and such losses and gains, when classed with gains and losses *at factories on Indian goods, &c.* as is the case in these accounts from 1765-6 to 1778-9, would be in their proper place. If some part, however, of this head of loss be territorial, there is no ground stated by Mr. Melvill for considering it as entirely such, nor any reason shown why I should give commerce credit for the gains on European goods, and neglect the losses on India goods, and at the factories. Both these errors, even if the latter be taken to the full extent claimed by Mr. Melvill, will not bring the accounts to correspond, nor will the difference be made to disappear by assimilating the *Bencoolen* and *China* years with those at the presidencies; or by taking the previous year for the supplies from England, as is done in Mr. Melvill's account: a greater amount will still appear to have been drawn from the revenues than the committee of proprietors admit to have been realized in England. Perhaps as there was always, according to the Ninth Report, a loss on the transmission of the investment, the difference may be owing to that cause. In reply to Question 2925, I said I was far from supposing there might be no errors or oversights in my statements, and it would be presumptuous in me to expect that none would be found; neither of these, though they may prove me to have over-rated the amount drawn from the territory during this period, affect the principle for which I contend. Surplus revenue, to a considerable extent, has been drawn from the territory, and though, from the claim of Government to three-fourths of it, the commerce may not have been aided to the full amount, the territory has undoubtedly been so burthened. If, as I conceive, the opinion that the £5,069,684 is a debt on the territory be altogether untenable, the question of aid from one branch to the other can only date from the commencement of the connection. I do not, therefore, admit the difference of £2,169,398 between Mr. Melvill and me to be an error on my part, as I only stated the amount drawn from the revenue, not what was netted by the Company.

4815. In answer to Question 4148, Mr. Melvill states that since 1765 the commerce has been charged only with expenses strictly commercial. He admits that from the transfer of political charges the commerce was relieved, but that on the other hand the territory has paid nothing to commerce for the use of the sums previously expended in the acquisition of the territory. What have you to remark on these points, and on the computation of interest

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at p. 420*, from 1751-2 to 1813-14, and from that time to May 1831?— From the exports from India being stated in the accounts to be invoiced at prime cost, while those from England are stated to be invoiced with 10 per cent. laid on, I think that commerce cannot have been debited in India with any charges whatever, political or commercial, from 1765 to 1778-9, whilst a portion of the English expense, in the charge of 10 per cent., has been borne by the territory; and as to the second point, it is difficult to suppose Mr. Melvill can be serious, when he talks of the territory paying nothing for the use of monies expended in wars, the result of which might as probably have been their expulsion from the province of Bengal, as the grant of the Dewannee. In this calculation, too, it may be observed Mr. Melvill debits commerce with the annual charge of the establishment up to the present time on the scale at which it is stated to have been between 1730 and 1745, a scale which the expenses have probably always exceeded since 1765, and which is only a small proportion of their present amount; but what the present scale is cannot be stated, as the return of the Bengal commercial establishment has not been furnished.

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* Page 651.

4816. Mr. Melvill, in answer to Questions 4451 to 4457, says that when you would throw the debt at the period of the territorial acquisition on the trader, you should have given credit for the territorial assets at that time; and that, though you may not have found any clue to their amount, you ought to have inferred, from this feature in the accounts investigated by the Select Committee in 1811, that there was a deficiency to be supplied as respects the assets of 1765. Do you admit the justice of Mr. Melvill's remark, and do you allow this to have been an oversight on your part?— Mr. Melvill states these assets to have consisted of cash and bills, stores and various territorial assets. Of cash and bills I take it for granted the Company received little along with the territory; and if they had, I should not consider it a fair set-off to a debt that was of a commercial character. A cash fund no doubt must have existed to go on with the concerns of the Company if they had been merely of a commercial character, and still more when they were engaged in warlike enterprises; but as in the year of the acquisition a loan of £157,148 was contracted, I think it probable that this money was borrowed for the very purpose of carrying on the government, and that the funds previously on hand may have been applied to commercial purposes. Of the stores on hand, I should also think it probable that they, along with the importation of the year, would be carried to account as commercial supply; for, on the authority of the Ninth Report, the principal part of the exports consisted, at this time, and up to 1782, of marine and military stores; as for the fortifications, as the greatest part of the expense of them had been incurred during the wars in question, I suppose that expense to be included in the £5,069,684. With regard to the territorial assets generally, from that period to the present time, they have gone on increasing with the increasing possessions in India, but they have been entirely accumulated from territorial funds, and in the earliest period much against the wish of the Directors, who

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on one occasion, remonstrated strongly with their officers in India at such an interference with the funds for investment, though the Indian government had represented it as essential to the preservation of the country, to curtail the investment till a more considerable fund to meet emergencies was secured.

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4817. In answer to Questions 4458 to 4464, Mr. Melvill contests the correctness of your views as to the state of the Indian finances, and of the country itself, between the years 1780 and 1793; what have you to remark upon the statements he makes on this head?—On a re-perusal of my reply to 2904, and those of Mr. Melvill to 4458 and 4463, I think he does not fairly describe my observations, which remain, in great measure, unrefuted. Mr. Hastings might be too anxious to represent India as in a state of prosperity at the time he quitted the government; but the account of the surplus revenue of Bengal, at p. 258* of my evidence, shows that he was right in his statements on that subject. With regard to the quotation from the Second Report, it certainly only referred to the actual revenues of India, and the Indian charges, but which charges included heavy advances for government. Taking the general balance in 1802, according to my view of the accounts, with interest included, there appears, upon the whole of the account, a surplus of near a million during that period. My remark, that India enjoyed a longer duration of peace from 1784 to 1789 than it has ever done since, he meets by informing the Committee that there was the continued apprehension of war. What I said of the profound peace of Europe he appears to apply to India, though I had myself spoken of the hostilities in the early part of this period. I do not, however, profess to be deeply versed in Indian history; and I leave my observations, and those of Mr. Melvill, without further remark, to the better judgment of the Committee.

4818. Why do you charge interest in this case in your statement, when in your former answer you do not allow the commerce to charge any interest against the territory?—I have never said that the commerce had not a right to charge interest, with the exception that I did not conceive it due upon the £5,069,000, and Mr. Melvill's calculation, at 4464 of his evidence, proceeds upon the assumption of charging interest upon the sums expended in the wars, even before those wars had reached the province of Bengal, where the first acquisition was.

4819. You said that you did not think interest should be charged for the money that commerce had advanced upon the acquisition of territory, and now you charge commerce with interest for the money that the territory advanced?—I suppose that interest should be charged for the money that the territory advanced to commerce, but in the former case the money expended in the wars was not money advanced to the territory, it was money expended in war, which might have produced no favourable result. In the one case the money is advanced from the one party to the other; in the other case it is spent, and the other party gets no advantage from it.

4820. Has

4820. Has it not been the usual practice, upon the successful termination of a war in India, to exact some large tribute from the native princes, as a compensation in part or in whole for the expenses of the war?—No doubt, frequently, both in India and in Europe. 15 Sept. 1831
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4821. Have you, in your inquiry into this period previously to 1765, attempted to distinguish between the wars which were undertaken by the Company for the defence of their commercial establishments, and those which were undertaken with the object of obtaining territory?—I do not suppose that the wars were undertaken in the first instance with the view of obtaining territory. In the petition that has been referred to, of the 5th of March, the whole transaction is related. The war is stated to have begun by sending out frigates to attack the French commerce. I conceive that if the Company had engaged in wars for the acquisition of territory, they would have been very reprehensible indeed.

4822. In answer to Question 4465, Mr. Melvill states that he believes there are no documents before Parliament which would enable the Committee to form a correct estimate with reference to the real state of the finances of India during the second period, but that the account lately produced shows the transactions between the territory and the trade for the whole period; and at 4469 he enumerates several errors or omissions in the account you have drawn out. With reference to the second period, will you state to the Committee in how far you admit your statement to be defective, and if you have any remarks to offer on that presented by Mr. Melvill, will you state them to the Committee?—I must again request the Committee to refer to the description I gave of the materials from which my account was drawn. The Indian revenues and charges alone were before me, and, as far as regarded the home charges, I could take no other course but to estimate them by the nearest years of the following period, which, up to 1796, varied little in amount. With the increasing territories all the charges increased rapidly, and I think it was natural to suppose that their amount, after the accessions of territory at the peace with Tippoo, at which period I took my estimate, would be greater than previous to the war with him. Mr. Melvill says the amount taken by me (that for 1793) was an unusually small year of expenditure; on reference to Appendix 46 to the Third Report, it will be seen that it was greater by £7,993 than the following year. Mr. Melvill institutes comparison of some of these charges in his estimate with those for the same objects, contained in the sum assumed by me for an annual average; of these I could know nothing when I gave my evidence; but I will now also offer one comparison of the whole English territorial charge in his estimate for this whole period, with those from 1793-4 to 1809-10, which latter, from every consideration of enlarged territory and general character of the period, might have been expected to be much the more expensive: the average of the thirteen years, up to 1793, is £313,122 per annum, that of seventeen years, 1793 to 1809-10, is only £291,998, omitting the pay of
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military officers on furlough and retirement, a charge which did not exist in the earlier period. The excess of these charges at the earlier period is scarcely to be imagined. Mr. Melvill says I have made no allowance for increase of territorial assets; I admit it. The amount of these assets at the earlier period is no where to be found; but comparing the amount of cash and bills in 1792-3 with what I should suppose it to have been in 1780, I think the increase must have been very trifling. The amount in 1780 may be estimated, vaguely I admit, from a comparison of the total receipts and disbursements in the account at p. 256* of my evidence. Mr. Melvill says I make no allowance for sums written off and adjustments. I do not know what adjustments may be meant; and as for the sums written off, though I have introduced them into my account of the third period, it is with a strong impression that they have no right to stand there; which opinion, I think, the Select Committee of 1811 entertained, when they placed this item amongst the doubtful ones, and passed it over in the Report in silence. With regard to the increase of debt, I must admit an error, and the only one in which I can accuse myself of negligence: the increase of debt at p. 258*. I have inadvertently stated to be between 1780 and 1792, which should have been between 1780 and 1785, when the debt was at the highest during this period; and I have, in consequence, overlooked a decrease between 1785 and 1792, of £400,000, which would reduce my estimated surplus by that amount; and by taking the year 1792-3 into this period, in which year, by my third account, the balance was in favour of commerce, it will be further reduced by about £420,000, the balance against commerce in the later period being correspondently increased, independent of the interest. As to there having been omissions in the charges, as I had not seen the accounts referred to, I can say nothing about them; nor could the circumstance, if I had met with any notice of it, have served further than to show me, that nothing conclusive could be gathered from the accounts. With regard to the estimate alluded to by Mr. Melvill, I can say little about it. It is founded on a balance of supplies between England and India, commercial and territorial, which I consider must be very inconclusive as to the real state of account. The Indian revenues and disbursements do not come under consideration at all in this account; the money by loan, and the interest of debt paid, are equally unnoticed. The extraordinary amount of the territorial charges paid in England I have already alluded to; and this feature will not fail to strike those who, taking the Appendix 46 to the Third Report before them, compare the amounts in the earlier and later halves of the period of seventeen years for which it includes those charges; the same comparison of the stores exported to the presidencies and settlements in Appendix 35 to the Fourth Report of 1812, will confirm my remark as to the increase of these charges in the later years, when our possessions in India were more extended. The sums paid in participation are again in this account charged as an aid afforded to, or a debt charged on the territory. I will not rest my objections to such a charge on my own opinion,

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but refer to Appendix 51 to the Fourth Report of the Select Committee of 1812, where a similar payment is ranked amongst the doubtful items. There is one other doubtful item, to which I would request the attention of the Committee. If they will refer to No. 21 of the February Papers, col. 15, they will observe, that from 1809-10 to 1822-23, a considerable portion of the political stores exported, is stated to be included in the Indian charges. Upon reference again to Appendix 35 to the Fourth Report of 1812, they will observe that the last year in that Appendix and the first in the February Papers are the same. If they will add the amounts sent to Bengal, Madras, and Bombay in 1809-10, in Appendix 35, they will find the amount correspond with the gross amount for that year in col. 15 of No. 2 of the February Papers; but they will see that no notice is taken in the Appendix 35 of any part of those stores being included in the Indian charges. Now, from the practice having been constant from 1809-10 to 1822-23, and from its having been actually the case in 1809-10, to the amount of £175,342 I think it is most probable that the same practice has prevailed during the whole of the previous period, to which the Appendix 35 relates, and even for the period of Mr. Melvill's estimate. This would materially affect the result of that estimate, if it should be the case. As for the whole account, it may be all very correct, but it is one totally useless for any purpose of examination or check; for any such purpose it would have been as useful to have presented merely the final balance.

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4823. Have you any observations to make on Mr. Melvill's remarks on your account for your third period?—It is with great diffidence that I should at any time venture to give an opinion on the construction of an Act of Parliament, where the sense was not clear, and the intention of the Legislature not apparent, especially in opposition to the opinions of others; but I cannot refrain from stating, after a careful and attentive perusal of the 107th and 111th clauses of the Act of 1793, that I think Mr. Melvill has very much misunderstood them. The Act of 21 Geo. III. enacts, that the whole clear profits arising from the territorial acquisitions and revenues, after defraying the charges and expenses attending the same, together with all the clear revenues and profits of the Company, after all outgoings, and the payment of the dividends, shall be divided, three-fourths to the Government and one-fourth to the Company. Territorial and commercial clear profits were thus thrown together and divided, and Mr. Melvill seems to understand that the appropriations, by the Act of 1793, were to be made from the same joint fund; but this Act of 1793 *disjoins* these profits. The 107th clause of the Act of 1793 appropriates the surplus arising from the territorial acquisitions and revenues in India; the 111th clause directs the application of the profits of the Company in Great Britain; and Mr. Melvill's reasoning on this subject, though very authoritatively expressed, appears to me quite at variance with the enactments in question. The 107th clause directs that the clear profits of the territorial acquisitions and revenues, after defraying the charges and expenses of collecting

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collecting the same, shall be applied, “in the first place,” in defraying all military and marine expenses, European or native, fortifications, &c. ; secondly, in the payment of interest of debts ; thirdly, in defraying the civil and commercial establishments at the several settlements ; and then comes, *fourthly*, in directing the issue of a crore of rupees annually for the provision of investment ; to which Mr. Melvill makes the addition, “out of which the public were to get £500,000 a-year,” of which the clause says nothing. As the fourth appropriation could not be carried into effect, it is needless to name any others. The 111th clause disposes of the clear surplus commercial profits thus : first, in the payment of dividend ; secondly, in the payment of £500,000 in discharge of India debt ; thirdly, in the payment of £500,000 into the Exchequer for the use of the public, &c. It appears, I think, clear, that the appropriation of the clear profits from Indian revenue is limited by the three first heads, as in the earlier Acts, where it is merely said, after *defraying all charges and expenses attending the same*, and that the crore of rupees is only directed to be issued to the commercial Boards, in the case of the existence of a clear surplus profit, or in so far as such profit may be forthcoming. Mr. Melvill *twice* describes this as the *first* appropriation, and speaks of it as a sum which India was bound by law to yield to commerce. He then states, as the *second* head of appropriation, the discharge of the Indian debt ; but the Act gives no such precedency to the crore before the discharge of debt, except in so far as the 107th clause precedes the 111th, the one appropriation is directed from the territorial profits, the other from the commercial, and both I consider contingent upon the existence of such profit. Having made these observations on the distinction in the Act between the application of the two sources of profit, I turn to Mr. Melvill’s argument, who admits, that in consequence of the obligation to appropriate the surplus in discharge of the debt, commerce should pay interest in the event of that discharge of debt being prevented by advances to it ; yet he says, it is obvious that, under the Act, the first appropriation was the crore to commerce, and infers that interest therefore ought not to be charged. This is the inference Mr. Melvill draws. The conclusion I have come to is, that there is no priority except what is of Mr. Melvill’s invention ; that both appropriations are contingent on the existence of profit ; that the Company contending that there has been no territorial surplus, but stating that there has been a very considerable commercial one, the obligation on them to discharge debt from the latter remains in force, whilst the want of effects cancels the other obligation ; but instead of this, the Company have not redeemed debt from their commercial surplus profit, but they have, in the earlier part of the period, withdrawn funds from India which India has been obliged to replace by loans on interest, for which interest, as far as the abstraction of funds extends, I consider commerce should be answerable to territory.

4824. Do not you suppose that when the Legislature made those enactments, they considered that the £500,000 might proceed from the profits
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that would arise from this crore of rupees that were to be paid?—The whole was taken in connexion, no doubt. 15 Sept. 1831.

4825. Mr. Melvill in the same number (4493) says, he does not object to an interest account between the branches, but that it should embrace the whole period, and that interest would have to be charged on the crore; what observations have you to make upon that subject?—The earlier the account commences the more accurately would it be ascertained from which side aid was afforded; but interest on the £5,069,684, for the reasons assigned, I should consider quite out of the question; nor should I think it fair to charge the commerce with interest on the supplies drawn from revenue up to 1780, excepting in as far as the debt could be proved to be commercial. But at whatever period it commenced, no interest can be chargeable on the crore, which, from the terms of the Act of 1793, could only be issuable for the purposes of trade, when there was a clear profit, after defraying the expenses of collection, and the military, marine, and civil charges. T. Langton, Esq.

4826. Mr. Melvill states also, that the principle on which your third account is formed is quite inadmissible, as you throw upon trade whatever you cannot account for; what have you to say in defence of such a principle?—At No. 2912, I stated the reason why I could not follow the more usual and certainly more correct mode of charging commerce with the sums actually issued for its use from the territorial revenues, *viz.* that the statements relating to those issues were so involved or defective, that I could not find the least correspondence between them and the state of the fund from whence they were drawn, and that I had therefore adopted the plan seen in the account; and though such a principle would be inapplicable in a mercantile concern, where the debtors and creditors in the ledger are numerous, it is perfectly applicable in the case of the territory, which has few debtors from monies advanced, except Government and the commerce. All the territorial outgoings appear to be regularly stated; and if, as I admit may happen, some unusual application of territorial income should occur, which is not stated in the accounts, it would be for the Company to show it, and require its adjustment. If any further inquiry into the accounts should take place, there would be many other adjustments to be considered. I would observe further, that as Mr. Melvill knew my reasons for adopting this principle, it would have been for him, when he objected to it, to have shewn that there were correct materials for forming an account on another principle, or to have adduced instances in which the one pursued had actually led to a material error.

4827. Mr. Melvill, in his answer to question 4494, states that you have made certain omissions even in this period, which, at 4494 and the following numbers, he enumerates; what have you to say as to these omissions respectively?—Mr. Melvill first notices an error in the floating debt of £764,527, to explain which, he refers to Appendix 2 to the Third Report of 1811. This Appendix had not escaped my notice, but its object was not intelligible to me. The sums deducted were stated *as due*, and therefore were

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were undoubtedly debts, whatever the object of separating them might have been; the adjustment, too, was only made for the first and last year of the period, and the *unadjusted*, and not the adjusted, amount is still exhibited to the present day as the actual amount of the floating debt. In fact, the annual increase or decrease of this debt was the only way in which it could be brought into the account; and if eventually adjustment should be requisite, there is no one but the Company's officers who can show the grounds. These have now been stated by Mr. Melvill, and from his explanation it appears, that in books kept, as Mr. Melvill described, by double-entry, and with all the accuracy of a counting-house, arrears of allowances are brought into the accounts as debts, but are not at the same time entered in the charges to which they appertain. If such is the practice in other cases, it must make all check or examination of the accounts impracticable, and the accounts themselves must be always more or less inaccurate. I pass over the two next charges for the present, and come to the statement that I have omitted, £250,081 supplied to St. Helena by bills. I think Mr. Melvill is wrong here, and that there is no omission, though the way in which the St. Helena charges are stated by me may require explanation. Appendix 51 to Fourth Report, states the adjusted amount of supplies to St. Helena at £1,046,653; this I have taken as the basis of my charge. But as I have taken the corresponding years in India and England, and the stores in the adjusted account are for a year later, the stores for 1809-10 are deducted, and those for 1792-3 added, the difference is £23,926. The adjusted amount for the year in ^m/_a is £1,022,727, of which there is included in the Bencoolen column £131,406. The stores exported to St. Helena, p 263*, col. 12, amount only to £834,784, together £966,190, leaving £50,537 still to be charged, for which no date being assignable, I entered this sum in the column of stores, and in the mid-year of the period. I revert now to the two amounts stated to have been omitted; they were purposely omitted by me, the first, along with some others which Mr. Melvill does not mention, because the whole were held doubtful, and are so stated in Appendix 51 to the Fourth Report; the second, because it was not a specific payment, but rather a claim preferred by the Company before the Select Committee, and by them entered amongst the subjects for adjustment. There are other points on which objections might be stated, to the amount of which I am well aware, though Mr. Melvill does not notice them in his evidence; but they do not affect the main feature of the account, *viz.* that a large amount of interest is chargeable to commerce upon the transactions of the period, if the principle, that interest should be reckoned between the branches, be correct. At the foot of the account, at p. 270* of my evidence, I have placed the head *Adjustments*, to shew that such had still to be made, and which might be for or against commerce; but as the list would have been unintelligible to most, the adjustments are not printed. I have requested that the original account might be produced to-day, to shew that the items noticed by Mr. Melvill were not really omitted or over-looked by me.

* Page 403.

* Page 413.

4828. Have

4828. Have you any observation to make on Mr. Melvill's estimate for the period from 1793-4 to 1813-14?—The same remarks generally as on that for the second period; it is a comparison of supplies, territorial and commercial, introducing, as a matter of course, items which the Select Committee had declared doubtful, and taking no cognizance of Indian receipts and disbursements.

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4829. Have you in your calculations generally placed to commerce what you found put down as doubtful by Committees of the House of Commons?—No; there are several heads stated as doubtful which I have put down to the territory. The supplies to Bencoolen and St. Helena, losses written off, and the losses on consignments and remittances from port to port, which are put among the doubtful items, I have also put down to territory; but the amount paid in participation, and which is stated, by the 101st clause of 53 Geo. III., to be payable out of surplus commercial profits, the loss on the loyalty loan, the amount of money paid for a supply of men for the navy, which grew out of an offer to raise troops, interest on postponed bills, and paid owners of rice ships, I have left out and placed amongst the heads for adjustment, conceiving, that when they come to be considered, they would not be deemed territorial; but of those I have introduced as territorial charges, it appears to me that the adjustment would be required; indeed, the Third Report states it of most of them.

4830. Are you speaking now of what you gave in on your former evidence, or of the view you have taken since Mr. Melvill's evidence?—What I gave in on my former evidence.

4831. You have stated, in answer to Question 2923, that the accounts and papers before this Committee were inadequate to any investigation of the accounts between 1809-10 and 1813; does this estimate, which embraces that period, supply the deficiency?—Not in the least; and I do not find that Mr. Melvill has noticed in his evidence what I stated (at 2923), that from the course pursued by him in explaining the accounts, the period from 1809-10 to 1813-14 was withdrawn from all investigation, and that it was not susceptible of any without further information.

4832. Are there any other remarks of Mr. Melvill's, relative to the accounts, that you wish to observe upon?—I think Mr. Melvill's endeavour to justify the charging the expenses of the Board of Commissioners to the territory, in the face of an enactment so pointedly expressed (as in Question 4511), hardly deserves a reply. He may consider the enactment an absurd one, but it is, nevertheless, an enactment, and the absurdity is certainly less than to suppose that the employment of such expressions was necessary to prevent the commissioners having to go to Calcutta to receive their salaries. His assertion, with reference to the supplies to Bencoolen (at 4512 and 4513), that the territory has been credited with the whole cost and commercial charges of all consignments from thence, before 1809 as well as since, appears very extraordinary. When the Select Committee made the remarks

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quoted by me (2919), and the supplies were declared, at the close of the Third Report, a subject requiring adjustment, an explanation, similar to that now made by Mr. Melvill, by any one of the Directors who were members of that Committee, would at once, no doubt, have caused the remarks to be expunged; and I think Mr. Melvill must be supposed to be in error in respect to the earlier period. Mr. Melvill says (at 4529), that where documents are wanting to understand the accounts, deficiencies would have been supplied, if called for. I think that such deficiencies should be supplied without being called for, and the accounts be so presented as to be intelligible without further documents, which possibly no one could accurately describe but those who were already informed on the subject. I will take this opportunity of stating, that Mr. Melvill (at 4498) attributes to me, to have presumed to insinuate what I endeavoured expressly to guard against being understood to say. I confined my remark, that either ignorance or bad faith was imputed when contradictory and unintelligible accounts were presented, to individuals, and of course in reference to their own affairs; on that point I am satisfied there will never be two opinions amongst men of business; but the Company's officers find a system of account in use which they have probably no choice but to follow; they have most of them grown up under this system; they see in the accounts all they want to know, and they are not anxious to make the world wiser than is required of them. There is nothing of which some persons are so jealous as of being made to exhibit their accounts; and that this feeling is not unknown at the India House is shown by their remonstrances against the printing of their papers and accounts, on the 9th March 1767, in consequence of which that useful practice was delayed upwards of twenty years.

4833. You have read Mr. Melvill's answer to 4526, on the subject of your suggestion of referring to professional accountants a revision of those accounts which you consider to have been left unsettled; what have you to observe with reference to that answer?—I am far from wishing to insinuate any thing against the competency of the Company's officers in the conduct of their business; but as to their being exempt from that bias, that *esprit de corps*, which it is rare that any human being can guard himself from, they must not expect credit for it. Faithful and zealous servants generally form *stronger* opinions of the rights and interests of their principals than the principals themselves; and errors of importance may easily and do often creep into accounts from such causes. Whether justly or not, great doubts are entertained by many liberal men, not in general of a suspicious turn of mind, as to the correctness of the Company's accounts; these impressions would be increased by the refusal to submit them to such an investigation as would set suspicion at defiance; and if these accounts can stand the test of such an ordeal, no party would gain so much by such an investigation as the Company themselves. As to the present system being one eminently of check, it is one, which if one compares the accounts sent before this Committee by the India Board and from the India House, will appear to have
eminently

eminently failed in that particular; for the India Board appear to me to be quite as much in the dark as the public at large on some points. I will beg leave to refer the Committee to a comparison between the accounts of territorial receipts and payments in England, as furnished by the India Board in No. 21 of the February papers, and of the Statement on the same head, No. 499 of 1830, from the India House; the former dated India Board, 14th January 1830, the latter India House, 2d June 1830. I propose to go merely through the first year; the differences which occur in that year pervade the whole of these two accounts; they may be explained I have no doubt, but I think it necessary to state them as an exemplification of the system of check. Of the four items of receipt in the General Statement from the India Board, one only corresponds with one in the Statement from the India House; two differ, but in amounts of only £100 and £800. One item in the former, of £37,481, is not contained at all in the latter, whilst two items in the latter, of £7,891 and £154,521, are not to be found in the former. Besides these differences, a deduction of £74,639 from the receipts is made in the Statement, to which nothing corresponding is to be found in the General Statement. Under the heads of Payments, out of about twenty items, three agree exactly, or within a trifle; ten co-exist in both accounts, but with greater differences, ranging between £301 and £69,673; two are in the Statement which are not discoverable in the General Statement; and three are in the General Statement which do not appear in the Statement. I presume the accounts furnished from the India Board are formed from data received from the India House. To what such discrepancies are to be attributed, I presume not to guess; but their effect, and that of many others as perplexing, though perhaps not so glaring, is to deter those who would wish to understand the accounts from undertaking a hopeless trouble; it raises the idea of studied concealment, and in many cases, no doubt, the suspicion that there must be much to conceal where there is so much mystery.

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4834. Are you aware of any cause for those discrepancies?—No. I could perhaps account for a few of them; the greater part of them are totally inexplicable.

4835. Does it not show that the accounts are not exactly formed, the one a copy from the other?—They are not formed one a copy from the other, but they are both for the same period, and professing to embrace the same objects.

4836. In the early part of your examination to-day you spoke of the Company being indebted to the forbearance of the Legislature for a great part of their present capital; will you state to what extent you consider them so indebted, and at what periods?—By the Act of 21 Geo. III., already alluded to, the Legislature, in renewing the exclusive privileges of the Company, imposed the condition that three-fourths of all net profits, as well commercial as territorial, should be paid over to Government; three-

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* Appendix C to
 Report of Lord's
 Committee,
 p. 1364.

fourths, therefore, of the actual increase of their assets should have gone into the coffers of the State. The exact amount of their effects was carefully estimated in 1783, when it was rated by a committee of proprietors, after a careful investigation, at £6,384,319. Of all excess beyond that sum the Government, after allowing for £400,000 received in participation, might have claimed three-fourths. The Act of 1793 reserved for the public £500,000 annually, and enacted, that if the payment in any year should be postponed, the omitted payments should remain as a claim, which, at the termination of the exclusive privileges, should be enforced, if the effects of the Company, realized or estimated, should exceed their capital stock, rated at 200 for 100, (*i. e.* if their assets exceeded £12,000,000), as far as the surplus went, in preference to every other application thereof whatsoever. By the February Papers, No. 24, p. 62,* the Company state their commercial capital to have amounted, on the close of 1813-14, that is, at the close of their exclusive privileges, if Parliament had so willed, to £20,302,764, and the rights of the proprietors would not have been trenched upon in the least, if every penny of this beyond £12,000,000 had been claimed for the State. If the home-bond debt at that time be taken as entirely commercial, the donation which Parliament made to the Company, at a time when the country could ill afford to be generous, in 1813, was £3,815,594; but if the home-bond debt, as the Company appear desirous it should, be taken as a territorial debt, the donation made was of £8,302,764. It is singular enough that such a claim should have been relinquished at such a moment, and, as is seen by the 61st section of the Act of the 53 Geo. III., without any preamble or reason assigned, by the simple repeal of a clause in a former Act of Parliament, 33 Geo. III. s. 122. It would almost seem as if the Company were looking forward to a similar act of generosity at the grant of a new term of exclusive privileges, by the suspension of that application of surplus profits in liquidation of debt, which I should have understood from the Act to be imperative; but Mr. Melvill informed the Committee, last year, the highest legal authority had sanctioned the retention of part of the surplus, as a fund to meet contingent losses. The amount not thus applied amounted at the close of 1828-9 to £2,833,235, and the interest on this growing fund, at the rate of that on the home-bond debt, I have calculated to amount to £1,510,104 at the close of 1828-9.

4837. In your former evidence you were asked if you had examined the statement of loss to the Company by the employment of the Board rates, which you had not then done. Have you since then turned your attention to that subject?—That the time which has elapsed in waiting for Mr. Melvill's evidence, and for an opportunity to make my observations on it, might not be uselessly employed, I have examined the statement of the loss by the use of the Board rates, prepared by Mr Lloyd. [See p. 111† of Appendix to the First Report of 1830]. To form a just and correct judgment of the accuracy of that statement requires a more intimate knowledge of the nature of the exchange business done in London on Calcutta than is probably possessed

essed by many gentlemen of the Committee, or indeed by any of those who are not immediately concerned in the trade. I have sought to obtain information on the subject from all those who were competent to give it to whom I had access, and I now offer to the Committee what I believe to be a correct view of this branch of the East-India trade. Exchange transactions from London to Calcutta form no part of the regular and constant commercial intercourse of the two countries; but bills are often wanted or offered for occasional purposes, mostly unconnected with commerce, and the merchants here who have establishments in Calcutta lend themselves to effect such accommodation, asking a higher price for the sicca rupee when their bills are wanted, and offering a lower price when bills are sought to be disposed of; the medium price is what they consider the actual value of the rupee in exchange, and the difference either way is the remuneration they expect on the transaction. In estimating the loss to commerce by the Board rates, it is this medium price which should be compared with those rates, and not the price which agency houses would give for private bills, often for insignificant amounts, and some of which are never paid. These are the rates, however, which Mr. Lloyd appears to have assumed; but as the Company would only require to pass their bills in reimbursement of territorial outlay in England, in the case of their not consigning Indian produce to England; but leaving that to private enterprize, their bills on Calcutta would be sought for as the means of placing funds in India for the purchase of indigo, silk, &c. by such as engaged in the enterprize on this side, and bills on the consignees in London would be offered to the Indian authorities for sale by those who took up the speculation on that side; the whole of the transactions would fall into the regular current of trade, and the rates of exchange given and obtained would be influenced solely by the circumstances which usually determine them, and not, as in the case of the present London exchanges on Calcutta, include a rather high commission. To ascertain this medium rate during the period from 1814 to 1828-9, with correctness, has been also attended to by me. In 1821 an East-India Trade Committee was formed, in which the rates of exchange were considered and recorded from time to time; and from these records, which are held by the Committee to exhibit a just view of the rates, I have been furnished by the secretary with those from 1821 to 1830. For the earlier period, before the Committee existed, I have obtained from three different principal houses statements of the rates, which I have compared, and from them I have deduced what I consider to be the fair medium rate for each year; and that the calculation of that medium rate may not be taken on my word alone, I deliver in, along with the Account which I have to present to the Committee, the Statements alluded to, for the examination of whoever chooses to look into the subject.

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*[The Witness delivered in the above-mentioned Statements, which were read,
and are as follow :]*

STATEMENT

STATEMENT of the Loss sustained by the East-India Company, from the Conversion into Sterling of the Sums advanced from the Revenues in India, in reimbursement of the Territorial Outlay in England, at the Board Rates, as compared with the Mercantile Rates of Exchange.

YEARS.	1. Amount of Advances in India, reducing the Currencies of Madras, Bombay, and the other Settlements, into Sica Rupees, according to the intrinsic Value of the Coins.	2. Average Rate of Exchange assumed in the Statement, East-India House, 2 June 1830, with Six Months' Interest, added at the Rates of the Bond Debt, and at 60 <i>l.</i> st.	3. Interest for Six Months, at the rate of the Company's Bond Debt.	4. Rate of Exchange, which, with the Interest in Col. 3 added to it, amounts to the Rate in Col. 2.	5. Medium Rate of Exchange in London on Calcutta, of the London Houses, at 60 <i>l.</i> st. Six Months Interest, separately added.	6. Sterling Amount of Advances in India, at the Rates fixed by the Board.	7. Sterling Amount of Advances in India, at the Medium Rates, in Col. 5.	8. Amount of Advances in India, less in Sterling Money, calculated at the Board Rates.	9. Amount of Advances in India, more in Sterling Money, calculated at the Board Rates.
	<i>Sica Rupees.</i>	<i>p' Sica Rupee.</i> <i>s. d.</i>	<i>p' Cent.</i>	<i>s. d.</i>	<i>s. d.</i> Int. .719	<i>£.</i>	<i>£.</i>	<i>£.</i>	<i>£.</i>
1814-15 ..	1,04,33,656	2 4.448	2½	2 3.754	2 4.754 Int. .719	1,223,368	—	57,898	—
1815-16 ..	1,63,64,628	2 4.127	2½	2 3.441	2 5.473 Int. .709	1,926,935	—	54,071	—
1816-17 ..	1,34,00,299	2 2.713	2½	2 2.061	2 5.053 Int. .671	1,582,759	—	—	46,527
1817-18 ..	1,59,88,113	2 2.778	2½	2 2.151	2 3.514 Int. .664	1,883,874	1,536,232	—	25,723
1818-19 ..	1,02,24,537	2 4.240	2	2 3.686	2 3.893 Int. .565	1,213,392	1,858,151	14,788	—
1819-20 ..	1,57,71,830	2 1.945	2	2 1.436	2 4.829 Int. .544	1,843,978	1,238,180	—	20,229
1820-21 ..	1,67,09,380	2 0.862	2	2 0.374	2 4.752 Int. .521	1,955,662	1,823,749	—	105,580
					2 2.573	—	1,850,082	—	—

1821-22 ..	1,44,12,500	1 10 822	2	1 10 374	2 0 071 Int. 482	1,080,042	—	—	205,583
1822-23 ..	1,93,97,227	1 9 738	2	1 9 208	2 0 553 1 10 095 Int. 442	— 2,258,463	1,474,449	—	445,434
1823-24 ..	1,93,46,688	1 9 621	1½	1 9 249	1 10 075 Int. 286	2,257,888	—	—	447,280
1824-25 ..	2,28,94,441	1 8 540	1½	1 8 187	1 10 461 1 9 250 Int. 372	— 2,974,830	1,810,608	—	612,232
1825-26 ..	1,93,64,929	1 9 876	1½	1 9 553	1 9 622 1 10 275 Int. 334	— 2,255,561	2,062,598	—	431,304
1826-27 ..	2,20,81,611	1 9 355	2	1 8 936	1 10 609 1 10 000 Int. 440	— 2,578,485	1,824,257	—	513,855
1827-28 ..	2,67,36,747	1 8 845	2	1 8 436	1 10 440 1 9 667 Int. 433	— 3,124,900	2,064,630	—	662,892
1828-29 ..	2,38,17,520	1 9 543	2	1 9 120	1 10 100 1 9 000 Int. 420	— 2,784,042	2,462,008	—	658,329
	26,68,54,106			Compare with these Rates, No. 35 of the February Papers.	1 9 420	—	2,125,713	—	
						31,244,179	27,195,968	126,757	4,174,968
								126,757	
									4,048,211
									474,962
									762,111
									5,284,584
									5,643,569

Interest on Columns 8 and 9, at the rates of the Home Bond Debt.

Loss on £4,715,981, at the rate of 1828-29

* Less proportional Loss on £1,510,104. Interest on the deferred appropriation of Surplus Profit

TOTAL Loss by the use of the Board Rates up to 1828-29 .. £

* If the Loss on the Interest on the deferred appropriation of Surplus Profit be excluded from the Account, the Total Loss } £

by the use of Board Rates will be ..

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COMPUTATION of the INTEREST which will have accrued on the deferred Appropriation of the SURPLUS PROFITS in liquidation of Debt (as given in the Account at p. 33* of the Second Report, 1830), at the Rate of Interest of the Home Bond-Debt.

	£.			£.
Amount of Surplus Profit of 1814-15, not appropriated	741,754	Brought forward	..	3,441,710
Interest, from 1st May 1815, at 5 per cent }	37,088	Interest, at 3½ per cent.	..	120,459
Ditto .. 1815-16	22,961	Amount of Debt liquidated in 1823-24 more than the amount of Surplus Profit .. ..	..	3,562,169
	801,803			1,067,766
Ditto .. 1816-17	40,900	Interest, at 3½ per cent.		2,494,403
	413,309	Amount of Surplus Profit of 1824-25 not appropriated		87,304
Ditto .. 1817-18	1,256,012			720,097
	62,800	Ditto .. 1825-26 .. ..	..	3,301,804
Ditto .. 1818-19	1,008,463	Interest, at 3 per cent.	..	99,054
	2,327,275			341,736
Ditto .. 1819-20	93,091	Interest, at 4 per cent		3,742,594
	286,535	Ditto .. 1826-27 .. ..	..	149,704
Ditto .. 1820-21	2,706,901			128,324
	108,276	Interest, at 4 per cent.	..	4,020,622
Ditto .. 1821-22	77,251			160,825
	2,892,428	Ditto .. 1827-28 .. ..	..	52,344
Ditto .. 1822-23	115,697	Interest, at 4 per cent.	..	4,233,791
	516,570			169,352
Ditto .. 1823-24	3,524,695	Interest, at 4 per cent.	..	4,403,143
	140,988	Amount of Debt liquidated in 1828-29 more than the amount of Surplus Profit .. ..	..	59,804
Ditto .. 1824-25	3,665,683			
Amount of Debt liquidated in 1821-22 more than the amount of Surplus Profit	551,518	Amount of Principal and Interest of the unappropriated Surplus Profits	..	4,343,339
	3,114,165	Deduct Principal	..	2,833,235
Ditto .. 1825-26	124,566	Amount of Interest, up to the close of 1828-29 ..	£	1,510,104
Amount of Surplus Profit of 1822-23 not appropriated	202,969			
Interest, at 4 per cent.				
Carried forward	3,441,710			

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COMPUTATION of INTEREST on the Increase or Decrease of the Balance due from TERRITORY to COMMERCE by the use of the fixed Board Rates, according to the Calculations at p. 111* of Appendix to the First Report of 1830, and to that of the annexed Statement, reckoned from the close of the Year in which the Increase or Decrease occurred, at the Rates of the Interest on the Home-Bond Debt.

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According to the Statement at p. 111.*		According to the annexed Statement.	
	£.		£.
Commerce Dr. at the close of } 1814-15 }	13,368	Commerce Dr. at the close of } 1814 15 }	57,898
Interest at 5 per cent.	668	Interest at 5 per cent.	2,895
	14,036	1815-16, Commerce Dr. ..	54,071
1815-16, Commerce Cr. ..	6,291		114,864
	7,745	Interest at 5 per cent. |	5,743
Interest at 5 per cent.	387		120,607
	8,132	1816-17, Commerce Cr. ..	46,527
1816-17, Commerce Cr. ..	91,231		74,080
	83,099	Interest at 5 per cent.	3,704
Commerce Cr. at the close of } 1816-17 }	4,155		77,784
Interest at 5 per cent.	99,885	1817-18, Commerce Cr. ..	25,723
1817-18, Commerce Cr. ..	187,139		52,061
	7,485	Interest at 4 per cent.	2,082
Interest at 4 per cent.	10,078	1818-19, Commerce Cr. ..	14,788
1818-19, Commerce Cr. ..	204,702		68,931
	8,188	Interest at 4 per cent.	2,757
Interest at 4 per cent.	137,765		71,688
1819-20, Commerce Cr. ..	350,655	1819-20, Commerce Cr. ..	20,229
	14,026		51,459
Interest at 4 per cent.	224,834	Interest at 4 per cent.	2,058
1820-21, Commerce Cr. ..	589,515		53,517
	23,580	1820-21, Commerce Cr. ..	105,580
Interest at 4 per cent.	309,533	Commerce Cr. at the close of } 1820-21 }	52,063
1821-22, Commerce Cr. ..		Interest at 4 per cent.	2,082
		1821-22, Commerce Cr. ..	205,583
Carried forward .. £	922,628	Carried forward .. £	259,730

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According to the Statement at p. 111.*		According to the annexed Statement.	
Brought forward .. £	922,628	Brought forward .. £	259,730
Interest at 4 per cent.	36,905	Interest at 4 per cent.	10,389
1822-23, Commerce Cr. ..	509,423	1822-23, Commerce Cr. ..	445,434
	1,468,956		715,553
Interest at $3\frac{1}{2}$ per cent.	51,413	Interest at $3\frac{1}{2}$ per cent.	25,044
1823-24, Commerce Cr. ..	514,042	1823-24, Commerce Cr. ..	447,280
	2,034,411		1,187,877
Interest at $3\frac{1}{2}$ per cent.	71,204	Interest at $3\frac{1}{2}$ per cent.	41,575
1824-25, Commerce Cr. ..	714,666	1824-25, Commerce Cr. ..	612,232
	2,820,281		1,841,684
Interest at 3 per cent.	84,608	Interest at 3 per cent.	55,250
1825-26, Commerce Cr. ..	488,675	1825-26, Commerce Cr. ..	431,304
	3,393,564		2,328,238
Interest at 4 per cent.	135,742	Interest at 4 per cent.	93,129
1826-27, Commerce Cr. ..	612,256	1826-27, Commerce Cr. ..	513,855
	4,141,562		2,935,222
Interest at 4 per cent.	165,662	Interest at 4 per cent.	117,409
1827-28, Commerce Cr. ..	802,702	1827-28, Commerce Cr. ..	662,892
	5,109,926		3,715,523
Interest at 4 per cent.	204,397	Interest at 4 per cent.	148,621
1828-29, Commerce Cr. ..	646,122	1828-29, Commerce Cr. ..	658,329
Principal and Interest due to } Commerce at the close of } 1828-29 }	5,960,445	Principal and Interest due to } Commerce at the close of } 1828-29 }	4,522,473
Deduct Principal	5,154,135	Deduct Principal	4,048,211
Accumulated Interest	806,310	Accumulated Interest .. £	474,262
Same by the Statement at p. 111*	941,880		
Difference, perhaps owing to the } Interest being taken from the } date of the issues in India, } instead of from the close of } the year }	135,570	<i>N. B.</i> If the difference in the Interest in the other Computation is owing to the cause sup- posed, the above amount of accumulated In- terest may require to be corrected conformably.	

STATEMENT of Rates of Exchange at which the Houses named in the respective Columns have bought and sold Bills on Calcutta, from 1814-15 to 1822; also the Rates for such Bills recorded in the Minutes of the East-India Trade Committee of London, with the Medium Rate deduced from the three preceding Columns, for each Year, from 1814-15 to 1828-29 inclusive; also the Rates at which the East-India Company have drawn on Calcutta during the same Period, extracted from No. 35 of Papers, No. 22 of 1830 (February Papers), which latter have not been included in taking the Medium Rate.

YEAR.	From Messrs. Cockerell, Trail, and Co.				From Messrs. Colvin, Bazett, and Crawford.				From Messrs. Inglis, Forbes, and Co.				Medium Rate deduced.	East-India Company's Rate.						
	To buy: per Sicca Rupee.				To sell:				Bought:											
	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.				
1814-15	May to	2	4	to 2	4 $\frac{1}{2}$	2	6	to 2	6 $\frac{1}{2}$	April to	2	4	2	6 $\frac{1}{2}$	}	—				
	July	—	—	—	—	—	—	—	—	June	—	—	—	—			}	2 4 754		
	Oct.	—	—	—	—	—	—	—	—	Sept.	—	—	—	—					}	—
	Jan. 15	2	3	to 2	3 $\frac{1}{2}$	2	5	to 2	5 $\frac{1}{2}$	Dec.	—	—	—	—						
1815-16	April	—	—	—	—	—	—	—	—	March 15	2	3	2	5	}	—				
	July	—	—	—	—	—	—	—	—	June	—	—	—	—			}	2 4 344		
	Oct.	—	—	—	—	—	—	—	—	Sept.	—	—	—	—					}	—
	Jan. 16	2	4	to 2	4 $\frac{1}{2}$	2	6	to 2	6 $\frac{1}{2}$	Dec.	—	—	—	—						
1816-17	April	—	—	—	—	—	—	—	—	March 16	2	3	2	5	}	—				
	July	—	—	—	—	—	—	—	—	June	—	—	—	—			}	2 2 843		
	Oct.	—	—	—	—	—	—	—	—	Sept.	—	—	—	—					}	—
	Jan. 17	2	1 $\frac{1}{2}$	to 2	2	2	3	to 2	3 $\frac{1}{2}$	Dec.	—	—	—	—						
1817-18	April	—	—	—	—	—	—	—	—	March 17	2	2	2	4	}	—				
	July	—	—	—	—	—	—	—	—	June	—	—	—	—			}	2 2 to 2 3 $\frac{1}{2}$ to 2 4		
	Oct.	—	—	—	—	—	—	—	—	Sept.	—	—	—	—					}	2 3 229
	Jan. 18	2	2 $\frac{1}{2}$	to 2	3	2	4	to 2	4 $\frac{1}{2}$	Dec.	—	—	—	—						
1818-19	April	—	—	—	—	—	—	—	—	March 18	2	2	2	5	}	—				
	July	—	—	—	—	—	—	—	—	June	—	—	—	—			}	2 3 to 2 3 $\frac{1}{2}$ 2 5		
	Oct.	—	—	—	—	—	—	—	—	Sept.	—	—	—	—					}	2 4 264
	Jan. 19	2	3	to 2	3 $\frac{1}{2}$	2	5	to 2	5 $\frac{1}{2}$	Dec.	—	—	—	—						
1819-20	April	—	—	—	—	—	—	—	—	March 19	2	3	2	6	}	—				
	July	—	—	—	—	—	—	—	—	June	—	—	—	—			}	2 2 $\frac{1}{2}$ to 2 4 2 4 to 2 6		
	Oct.	—	—	—	—	—	—	—	—	Sept.	—	—	—	—					}	2 3 208
	Jan. 20	2	0 $\frac{1}{2}$	to 2	1 $\frac{1}{2}$	2	3	to 2	3 $\frac{1}{2}$	Dec.	—	—	—	—						
1820-21	April	—	—	—	—	—	—	—	—	March 20	2	1	2	4	}	—				
	July	—	—	—	—	—	—	—	—	June	—	—	—	—			}	2 1 to 2 2 2 3 to 2 4		
	Oct.	—	—	—	—	—	—	—	—	Sept.	—	—	—	—					}	2 2 052
	Jan. 21	2	0	to 2	1	2	2	to 2	2 $\frac{1}{2}$	Dec.	—	—	—	—						
1821-22	April	—	—	—	—	—	—	—	—	March 21	2	0	2	3	}	—				
	July	—	—	—	—	—	—	—	—	June	—	—	—	—			}	1 11 to 2 1 2 1 to 2 3		
	Oct.	—	—	—	—	—	—	—	—	Sept.	—	—	—	—					}	2 0 071
	Jan. 22	1	9	to 1	10 $\frac{1}{2}$	2	0 $\frac{1}{2}$	to 2	2	Dec.	—	—	—	—						
	April	—	—	—	—	—	—	—	March 22	—	—	—	—	}	—					

(continued..)

Statement of Rates of Exchange—continued.

YEAR.	From the East-India Trade Committee.	per <i>Sicca</i> Rupees.		Medium Rate deduced.		East-India Company's Rate.
		To buy :	To sell :	s. d.	s. d.	
1822-23	July 18, 1822 ..	1 10	to 2 1			
	Sept. 12, — ..	1 9½	to 2 0½			
	Nov. 7, — ..	1 9	to 2 0½			
	Dec. 5, — ..	1 9½	to 2 0½	1 10·095		
	Jan. 2, 1823 ..	1 9½	to 2 0			
1823-24	April 17, — ..	1 9	to 2 0			
	May 22, — ..	1 9	to 1 11½			
	Oct. 2, — ..	1 9	to 2 0	1 10·075		1 11
	March 4, 1824 ..	1 9	to 1 11			
	— 18, — ..	1 8	to 1 10½			
1824-25	June 17, — ..	1 8	to 1 10			
	Nov. 4, — ..	1 8	to 1 10	1 9·250		
	March 3, 1825 ..	1 8½	to 1 10½			
	June 2, — ..	1 8½	to 1 10½			
	— 16, — ..	1 8½	to 1 11			
1825-26	July 17, — ..	1 9	to 1 11			
	Dec. 1, — ..	1 9½	to 2 0	1 10·275		
	Jan. 25, 1826 ..	1 10	to 2 0			
	May 4, — ..	1 9	to 2 0			
	July 6, — ..	1 8½	to 1 11	1 10·000		
1826-27	Jan. 4, 1827 ..	1 8½	to 1 11			
	June 7, — ..	1 8½	to 1 10½			
	July 5, — ..	1 8½	to 1 10½			
	Oct. 4, — ..	1 8½	to 1 11	1 9·667		1 10½
	June 5, — ..	1 8	to 1 10	1 9·000		

As the surplus profits are, by the 57th clause of 53 Geo. III, c. 155, made applicable to the reduction of the debt, and as the ground assigned for having delayed the appropriation of part of the surplus is as a reserve to cover contingent loss, I thought that as the interest arising on the reserved surplus will probably be considered applicable to the purposes of the principal, it should be set against the interest which is said to have accrued on the balance of advances between the territorial and commercial branches of the Company's affairs in each year, at the rate of the bond debt.* This interest is stated in the Account between the two branches, dated India House, 2d June 1830, at £1,531,218, and in the Account at p. 32* of the 2d Report of 1830, dated India House, 17th June 1830, at £1,536,078; and the interest on the deferred appropriations, as given in the last-named Account, at p. 33, I make by the computation annexed to this Statement, to amount to £1,510,104. I have therefore reduced the loss in the third item in the proportion of this latter amount, which would make the whole loss, by the use of the Board rates, to amount to £5,284,584; but if the reduction alluded to is to be considered distinct from this Account, the loss would then be £5,643,569, errors always excepted, from which the Account at p. 111† is not exempt. I hope none such will be found in this Account, but the calculations have been numerous and tedious, and I have had neither much time for them, nor any assistance.

Martis, 20 die Septembris, 1831.

WILLIAM MARSHALL, Esq., in the Chair.

THOMAS LANGTON, Esq., again called in, and examined.

4838. For what period have you taken the loss, by the Board rates, which you stated at the close of your last examination?—From 1814-15 to the end of 1827-28. 20 Sept. 1831.
—
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4839. What is the difference between your computation and the computation of the Company?—The loss, according to the Statement in page 111,* is £7,187,178; and by the Statement I have given in, it is about £5,600,000, making a difference of about one million and a half. * Page 973.

4840. What is the object of the Statement you have put in relative to the loss to commerce by the use of the Board rates; is it intended to throw doubt on the Statement that the apparent amount of profits on the Company's trade is materially affected by them?—Certainly not; the fact is too striking to be overlooked. But it was recommended to me by a member of the Committee to go over the Statement, and to examine whether or no the loss by the use of the rates was not exaggerated; though its exact amount is not of much consequence, as whatever the territory gains by the rates it loses by diminished surplus profits. On inquiry, the mercantile rates did appear to me to have been taken too low, and the amount of loss from this cause to be in reality about a million and a half less than by the Statement at p. 111* of First Report, 1830. If the calculation had been made on remittances from India, the loss would have been still less, as the difference in the rates of exchange includes interest, I presume, at Indian rates. * Page 973.

4841. The remarks with which you introduce your Statement seem to contemplate no difficulty in the Company's reimbursing the home treasury by bills for the territorial charges incurred here, at fair mercantile rates; are not you aware there are apprehensions of combinations of the bankers or merchants, obliging the Company to give or accept rates of exchange, by which they would lose more than by consignments?—I have heard that such fears existed. I have no local knowledge or experience to entitle me to give an opinion on the subject; but, on general principles, I should conclude that there was a much greater probability of such combinations obliging them to buy merchandize dear, and sell it cheap, than that they should be run up in the exchanges; for the intrinsic value of the money is known to a nicety, and the recourse which may be had to bullion would prevent the attempt to force extravagant terms on the Company from being pushed too far; but, on the other hand, there is scarce any limit to the fluctuations of merchandize which has no fixed par value, and a purchaser or seller of such, on a large scale, will almost always raise or depress prices injurious to himself.

4842. Are you of opinion that any real disadvantage has arisen from the Board

20 Sept. 1831. Board having persisted in the employment of the rates which had been so long used by the Company?—I think the Board acted very wisely in not admitting any change in that respect. The uncertainty and trouble to themselves, by following the fluctuations of the exchanges, would have been endless. Had the Company been left in possession of the profits beyond the $10\frac{1}{2}$ per cent. dividends, they might justly have insisted to have their accounts with the territory adjusted by the actual rates; but that not being the case, no disadvantage to any party has occurred; but a great facility in the arrangements of the accounts must result from the practice.

4843. Suppose the profits on trade have not been sufficient to pay the dividends, what would have been the consequence?—The Act says, that in that case the Company may have recourse to the surplus territorial profits.

4844. Supposing there are no surplus territorial profits?—Then, I think, they would have been in an awkward predicament.

4845. Is it not then of great importance to the commercial interests of the Company to have the Board rates under those circumstances?—In that respect it might be, undoubtedly. Supposing the case had happened where the profits would not have given the dividends, but that by the employment of the mercantile exchanges they would have given the dividends, then certainly the employment of the mercantile rates would have been of great importance.

4846. You say, at the close of your last examination, that the statement at p. 111* is not exempt from error; what errors are there in that statement, and do they affect the general view which it is intended to exhibit?—Of the correctness or incorrectness of some part of the statement I have no means of judging; as of the conversion of the supplies in India into sterling money at the Board rate. The errors I allude to do not affect the general view which the statement is intended to support; but they may serve as an excuse for mine, if any should be found. They occur in the conversion of the sicca rupees into sterling at the assumed rates, with six months' interest added; of the fifteen amounts of sicca rupees so converted into sterling, four only are correct, and eleven incorrect; the errors amount to C^r £9,000, and are in favour of the territory, or make the loss appear less.

4847. By your Statement you make the loss to the commerce by the Board rates £5,600,000; does not the difference between the result of your Statement and that drawn up by the Company's accountant-general with a similar object, arise principally from the difference between the rates of exchange respectively employed by you?—Almost entirely, with the exception that the loss in each year having been less in the earlier part especially, it materially affects the interest account, which forms the second item of Mr. Lloyd's Statement.

4848. Is not that which you termed the lowest rate of exchange, the rate which dealers in bills would have given to parties offering them for sale in the market?—Yes, it is what they would have given for bills.

4849. Supposing the Company, during the period to which your calculation

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* Page 973.

tions refer, to have drawn bills upon the government abroad for the supply of their home treasury, would not they have been in the situation of sellers of bills?—They would, undoubtedly; but I should conceive that their bills would obtain the best price of any in the market, at least that they would not be exposed to take the same low price with persons not of very great credit, or for trifling amounts. It will be observable, that in the rates I have returned from those different houses, there is a considerable range, sometimes a halfpenny, and sometimes a penny in the buying price.

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4850. Are not the houses you have named houses of the first credit in London?—I believe they are, and the prices in the first column are those they have given when they have bought bills, which they have bought of course as cheap as they could.

4851. Has not the accountant-general, in taking the rates which have been given by the buyer to the seller, employed those which were applicable to the position in which the Company would have been placed in the supposed circumstances?—Certainly; if they had merely come forward, like any individual, to put off an odd bill, that would have been the case; but I have stated that they never could appear in the capacity of drawers in the way supposed here, except they were giving up the consignment of merchandize to Europe. Therefore they would be drawers upon a larger scale, and the circumstances under which bills are bought now, would not be applicable to those circumstances.

4852. Have you made any allowance for the larger quantity of bills that would have been thrown upon the market by the Company becoming large drawers?—I have; but I consider there would have been a proportionately greater demand for bills; because, upon the Company giving up consignments of goods to Europe, individuals would have said, these goods must come, and we will order them, but how are we to place the funds? and the best way they could do that would be by taking the Company's bills. Manufactures are already perhaps sufficiently upon the Indian market, and therefore I conceive there would have been a demand for bills to quite as great an extent as the Company had to offer.

4853. You are aware that the Company always had to draw very considerable sums against India for the expense of stores, and their home expenditure for their various officers, and so forth. How would those bills, if they were brought into the market, affect the market?—They are, I conceive, included in what the Company have at present to cover by the remittances of goods; therefore, if the remittances of goods were dropped, those goods would have to be brought home by individuals, ordered from this country, or consigned on speculation from India.

4854. Are you aware that the goods from India direct do not cover the demands which the Company have upon India; and generally that bullion and other sources are obliged to be resorted to?—My answer will satisfy the question

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question as far as the consignments have been made; how the balance which is yet owing might be affected, may be another question.

4855. You were understood to state, in your last examination, that the discussion, whether any part of the Indian debt were commercial, originated with Mr. Melvill's evidence of the 7th of June 1830; are you not aware that Mr. Rickards, in answer to Question 5262 of last year, had previously asserted "that the whole of the money upon which the Company traded was borrowed from the revenues of India;" was not that, therefore, the commencement of the discussion?—I do not consider that to have been the commencement of this discussion. I am aware that Mr. Rickards gave that evidence; but upon referring to 5671 of Mr. Melvill's evidence, it appears to me that he is stating, totally independent of Mr. Rickards's evidence, what he considers the commerce has done for the territory, from the first times up to the commencement of the present charter, amongst which is the money spent in the wars, calculated as a debt upon the territory.

4856. Is it not probable that Mr. Melvill made that statement in consequence of what he had seen that Mr. Rickards had previously asserted?—It is possible he may; but that does not appear to me to have any immediate connexion with it.

4857. You referred more than once to the rate of the Company's dividends, and said that for the last forty years (that is, since 1793) they had been larger than they ever shared before the acquisition of the Dewannee in 1765; did you make that computation on the nominal capital, or on the capital actually paid up?—On the capital on which they have usually divided. I am not aware whether the whole capital has been paid up or not.

4858. Does not it appear by the accounts before Parliament (series printed in 1793), that the capital paid up previously to 1765, was £2,800,000, being $87\frac{1}{2}$ per cent. on the nominal capital of £3,200,000?—I recollect having observed it.

4859. It appears that the Committee of Secrecy, in 1773, presented an Account to which Mr. Melvill referred (Question 4435), which shows, that from 1712 to 1722 the Company divided 10 per cent. on the nominal capital, and from 1743 to 1755, 8 per cent.; is not 10 per cent. and 8 per cent., on a nominal capital of £3,200,000, equal to nearly $11\frac{1}{2}$, and to more than 9 per cent. on the actual capital of £2,800,000?—Upon further recollection, I think I may venture to assert, that £2,800,000 is all that ever was paid up on the original shares of £3,200,000 nominal stock, though therefore the 10 per cent. dividend on the nominal capital from 1712 to 1722 was actually near $11\frac{1}{2}$ per cent. on the subscribed capital; the dividends since 1793, of $10\frac{1}{2}$ per cent., have been in fact 12 per cent. on the subscribed capital of the stock existing previous to 1765, to which only the comparison applies, and not to the stock since created, for which the subscribers paid market prices, 155 per cent., 172 per cent., and 200 per cent.

4860. The

4860. The dividend having been divided upon a larger sum, of course makes the dividend greater upon the sum subscribed!—It would undoubtedly, for those years, if the full nominal amount had been paid up on the £3,200,000 since 1765, but which I believe it has not been. 20 Sept 1831.
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4861. Are you aware that the sum paid up by the proprietors for the present nominal capital of £6,000,000, to which it was increased in 1793, is £7,780,000?—No, I was not aware of that.

4862. You are aware that the rate of dividend since 1793 has been $10\frac{1}{2}$ per cent. on the nominal capital; is not that $8\frac{1}{2}$ per cent. on the capital actually paid?—If the capital paid up has been £7,780,000 and the nominal capital has been £6,000,000, of course that has been effected in the way that is stated; but I was not aware of the circumstance, and it is a very unusual thing for more than the nominal capital to be paid up.

4863. You contrasted the proceedings of the Committee of 1782, from which the Ninth Report emanated, with those of the Committee of 1783, to which Mr. Melvill referred (Question 4444), and you appear to think that more importance is to be attached to the former than to the latter; do you not know that the Committee of 1782 never directed its attention to the expenditure in the wars previously to 1765, whereas the Committee of 1773 devoted themselves to that point of inquiry; and is it not therefore evident that the latter and not the former, is the document applicable to any question connected with that expenditure?—I should not conceive so. The Committee of 1782 took up the subject only where the Committee of Secrecy of 1773 had left it. They did not go into the period of the earlier wars, for that had already been inquired into by the Committee of Secrecy of 1773; and the inquiry of the Committee of 1783, referred to by Mr. Melvill, occupied so short a time, that it cannot be considered that any light could be thrown upon the subject by an inquiry of that kind, which merely reported that the allegations of the petition had been proved by the statement of the officers of the Company. The petition was presented on the 5th March, and the Report was brought up on the 12th of March.

4864. Does not it appear in those Reports that the produce of those investments, to which the Committee of 1782 referred as having been furnished by territorial means, is accounted for by the Committee of 1783, in the passage quoted by Mr. Melvill (4444), and is it not therefore obvious, that so far from there being any discordance in the statements of the two Committees, they are perfectly consistent the one with the other?—The Committee of Secrecy has not gone into that part of the account, and therefore it has said nothing, either in contradiction or in support of what the Committee of 1783 said. The Committee of 1783 states the amount produced from the sale of those investments, taken from those accounts which are printed in my evidence, and also in the Estimate, and that is all the data there are for it.

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4865. Does not it appear from the statements of the Committee of 1783, in the passage quoted by Mr. Melvill, that the whole sum realized from the territories was applied in payments of the government participation, and in redemption of the Company's bond debt; and as the Committee also state that the Company's bond debt in part arose from their military expenses in India, and that those expenses during the wars prevented the Company from discharging the whole of the bond debts out of their ordinary profit, would it not seem that the Company, as a commercial corporation, derived no advantage in the shape of dividends from the investments affected by the territory in the period referred to?—In the shape of dividends, I consider they certainly received some advantage, for their dividends from 1756 up to 1765 had only been six per cent., and after that they were increased to ten or twelve per cent, and they were afterwards, in 1772, reduced, for a short period, to six, but again raised to eight; and, upon the whole of that period, what they received in dividends beyond what they would have received, if the rate from 1756 to 1765 had continued, is, I believe, nearly £1,000,000.

4866. Are you aware that the words of the Report in the year 1783 are as follow: "It also appeared, that the Company have received and realized in England from the territories and revenues in India no more than the sum of £3,622,969, from which deducting the sum of £2,169,398 paid to government, the sum remaining for the Company amounted to no more than the sum of £1,453,570, which was appropriated in the reduction of the Company's bond debt, and the said sum of £1,453,570 being deducted from the sum of £5,069,684 leaves the Company in disburse, upon account of the wars by which the territories were acquired, to the amount of £3,616,113, besides interest?"—Undoubtedly it is so stated in the Report, and the foundation of it is the precise accounts printed in my evidence and no other; they state that the Company was in disburse on those accounts; I have no doubt that they were in disburse, but, with regard to the dividends, they certainly derived the dividends I mentioned during this period.

4867. If the money was applied as this Committee has stated, does not it show that the dividends were not increased from that source?—From what source they were increased I cannot pretend to say, but that they were increased during that period, and that during that period, by the admission of the accounts, a sum was drawn from India, is not disputed by the Company. My account did not state what the Company had realized, but what they had actually drawn from the territory of India, which was what I wished to show.

4868. You were understood to state, that the Company never claimed reimbursement from the Indian territory for the sums expended previously to 1765; and yet you yourself subsequently admitted, that in 1783 the Company, upon the ground of those expenses, petitioned repayment of at least a portion of the money which the public had received for participation in the Indian revenue.

revenue. Is it not then clear that the Company did claim reimbursement of the war expenses out of funds derived from the Indian territory; and does it not appear that the Company, in their petition to Parliament in 1813, distinctly asserted their claim, in the event of the territory being assumed by the public, "to reimbursement of the expenses incurred in acquiring and maintaining it." How then could you say that such a claim was never thought of until Mr. Melvill's evidence of the 7th June 1830?—The Company claimed the repayment, not from the territory of India, but from the government of this country, of as much as had been taken from the surplus revenues; they did not push their claim any further than that; the claim in 1813 was also from the government of this country.

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4869. You said, that if the sum of more than five millions, expended in the wars, had been repaid to the Company, fifteen millions must have been simultaneously paid to the public, they being entitled to three-fourths of what the Company got; are you not aware that the public only participated in profits, and do you not perceive the distinction between the payment of a debt, and the payment of a share in profit?—If the plan had been acted upon, of the government receiving three-fourths of the surplus revenues, then undoubtedly for five millions that the Company drew from those revenues, the government must have drawn fifteen; and it was only the profits or surplus revenue that the Company was authorized to take.

4870. Did you mean the Committee to understand, that whilst the Company were expending their five millions, that is before 1765, the public had any right of participation; and if, as was the case, they had no such right until after that period, how can you bring into collision the Company's expenditure with the government share?—That the Company expended that money previously there may be no doubt; but it does not follow that that expenditure of necessity should be considered a debt on that particular territory which they happened to acquire, and which they might not have acquired. It might have been money lost.

4871. You know that in 1767 the government laid claim, on the part of the public, to all the Indian territory. If that claim had been then admitted, and the Company had been dispossessed of the territory which they had just acquired, at the expense of more than five millions, would it consist with your notion of justice, that the Company ought not, in such a case, to have been reimbursed that expenditure?—Probably it might, but by what party; I should say by the government of this country, not the territory of India.

4872. If the public had taken the territory in 1767, and reimbursed the Company the five millions spent in acquiring it, do you not imagine that that sum would have been charged by the public to the Indian territory, just as much as it is now charged by the Company as a territorial expenditure?—What the government would have done in that case I do not know; it might

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4873. Why should it be oppression and exaction to charge a debt against the territory, for whose service the money was expended?—That is precisely the point upon which I differ from Mr. Melvill; I cannot see that the five millions was expended for the use and advantage of the territory of India.

4874. Do you account it then a mere commercial speculation?—Not a commercial one, certainly.

4875. Then under what head would you place it?—If it were a voluntary thing on the part of the Company, going into those wars, I should say it was a very inexcusable speculation, but hardly a commercial one.

4876. The East-India Company, constituted as it is, having expended five millions in the acquisition of a very valuable territory, where should that charge fall?—I cannot see any party to throw it upon; it is money lost, but it may have been got back again, I conceive, in the remission of duties between 1765 and 1814.

4877. Are you not aware that the Company had the advantage of trading to Bengal, free from duties, before 1765?—I am aware that there were discussions and disputes upon that subject; but I should not think it was a right which they possessed safely and exclusively at that period. Mr. Melvill states, that it was by a grant from the Mogul. If it was by a grant from the Mogul, that grant would stand upon the same footing as the grant of the Dewannee, and that ought to be set against the expenditure equally with the other.

4878. You referred to two years of the period previously to 1780, in which the investment was £1,200,000 per annum, and which, as there was then a territorial surplus, you think, must be held to be a commercial debt; do you mean to say, that whenever in any particular year the territory may happen to advance more than the commerce, the excess should be absolutely debited to commerce; but that when the commerce happens to advance more than the territory, the territory should not be debited with the excess?—The commencement of the question attributes to me what I never meant to say. I suppose the question refers to my having said, that when, during a period in which commerce was drawing from territory a surplus revenue (1765 to 1780), loans were contracted for the purchase of investment, such loans ought to be considered commercial. But if commerce advances to territory, I consider that territory should be debited for the advance.

4879. Admitting, then, the justice of reciprocity, if in the two years to which you referred there happened to be an excess of advances by the territory, ought it not to be stated, as Mr. Melvill has stated it, in diminution of any balance previously due to commerce?—It does not appear that at that period, unless the £5,069,000 be admitted as a debt due to commerce, that
there

there could be any debt due to commerce, because commerce had been receiving, during the whole period, the surplus revenue of Bengal; and though, from the part which government claimed in it, the remainder may have been but small, still it was always a receipt during the period; there could be no debt due from revenue to commerce, except that particular one of the monies spent in the wars before the acquisition.

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4880. Suppose there had been a debt due to commerce, what would the advance then have been?—Then, of course, I should have set off the advance by the territory in those later years against that debt.

4881. If monies borrowed by the territory pay this debt to commerce, is it anything but a territorial loan?—If there had been a debt due to commerce previously, and the money borrowed upon loan to make this last investment in the years referred to had only just liquidated that debt, then I should say, that the loan was territorial; but I cannot see where the debt to commerce can have existed previously to that time.

4882. In stating, as you did, that the whole of the commercial establishments were defrayed out of the revenues, were you aware that, in the interest account delivered in by Mr. Melvill, the full expense of maintaining the settlements, previously to 1765, is charged to the trade; and do you not know, that in all the accounts subsequent to 1780, the commercial expenditure is distinctly charged?—The amount charged by Mr. Melvill is precisely that which, in the account from the committee of proprietors, is stated to have been the annual expense of the establishment between 1730 and 1745.

4883. Do you not know, that in all the accounts subsequent to 1780 the commercial expenditure is distinctly charged?—I see in the Estimate that there is a column for commercial charges not included in the invoices; and in my evidence I stated distinctly that I conceived that all the establishments, territorial as well as commercial, had been paid out of the revenues up to 1778-79, which was as far as I had seen the accounts; and I did not extend my remark beyond that year.

4884. Does it not appear from Mr. Melvill's statement, that if the territory had been charged interest on the sums which the commerce expended in acquiring it, the amount of such charge would have greatly exceeded the charge of establishments from which the commerce was released in 1765?—I have no doubt of it.

4885. You say that the error which you have committed, under the head of batta, is one into which you could not help falling, from the structure of the accounts; have you forgotten that the accounts of the Committees of 1773 and 1782, from which you say you prepared your statements, distinguish, in separate columns, the profit and loss on exports from Europe from the profit and loss from batta, &c. which columns you have mixed; and do you not see that you had the means, in a great measure, of avoiding the
confusion

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confusion to which your refer?—My object in considering the account was to bring it into as small a compass as possible, and I threw the gains and losses into one head, because I conceived there could be no reason for making them distinct in such an account as that was. There are, undoubtedly, two columns, one of which is headed, Gains and Losses on European Goods, and the other is headed, Gains and Losses arising on Batta, at Factories, on India Goods, &c. I concluded both to be commercial, and therefore threw them together.

4886. You said that the losses upon coinage must equally have been incurred in both branches; but by your mode of stating this head of account, have you not thrown the whole of such loss on the trade?—I have undoubtedly thrown the whole loss upon the trade, because I conceived, when I drew up the account, that it was purely commercial. I should have conceived it quite natural, when territorial payments have been made which required the allowance of batta upon them, that the whole sum, both the original sum and the premiums upon it, would have been entered in the charges as the sum paid.

4887. Are you not satisfied now that they ought not to be wholly charged to the trade?—From Mr. Melvill's explanation I suppose that it is so; but at the same time I conceive that there must also have been similar batta upon the commercial payments and receipts, and that probably, therefore, they are both included in that. Mr. Melvill's expression, I think, is not a very positive one, he says, "they must have accrued to the territory."

4888. You referred to the Ninth Report of 1783, to show that a heavy loss was incurred on the transmission of investment from India. Supposing such to be the fact, and that the Company's commerce was a medium for the conveyance of territorial tribute, is it not obvious that the loss which may have been so sustained was territorial and not commercial in its character?—I should say not. I should say that if the Company were gaining upon their commercial transactions, and managed those well, they ought to have made the investment in such a manner as not to incur a great loss by the transmission of it. I should think it very hard if the territory were to be burthened for the mismanagement of the Board of Trade at Calcutta.

4889. You are aware that £400,000 a year was paid to the Government as a tribute from India. Suppose that, for the purpose of meeting that and other charges in this country, goods were sent home; if there was a loss upon those goods, ought it not to fall upon territory?—I should then say that the surplus revenue had turned out less than was expected, that it paid so many hundred thousand pounds in Bengal, but that when it came to be sent to this country it turned out so much less, but not that the difference was any debt to be charged upon the territory.

4890. Supposing that the surplus be deficient, which renders it necessary to derive additional funds from other sources, does it not come to the same thing

thing as if you charged it as a debt?—It does not appear that it has been altogether deficient; for though it has rendered the sum realized small, yet there has been a sum realized.

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4891. You seemed to think, from 10 per cent. having been added to the invoice cost of all exports from England, that the territory must have borne a portion of the commercial charges of such exports; is not the difference between the invoice cost, including that 10 per cent. and the sale amount, stated in the Indian accounts as profit or loss, and consequently, can any part of the charges comprized in the 10 per cent. have possibly entered into the charge on the Indian territory?—I think I have been misunderstood there. I did not say that any part of the commercial charges upon those goods had been defrayed by the territory, but that from the 10 per cent. having been added to the invoice cost, and that 10 per cent. having been understood to include part of the expenses of the establishment at home, and as the whole amount of the invoices had been charged in that Account, at p. 256* of my evidence, as supply towards the purchase of the investment, therefore the whole, including part of the expense of the establishment, had been considered as supply.

* Page 392.

4892. Supposing that from this country £1,000 was sent, and 10 per cent. as charges put upon that, and that in India it sells for £1,200, which is stated as the amount realized, under what circumstances can you say that any portion of that is borne by the Indian territory?—If the £1,200 is stated as part of the supply, that £1,200 has not been actually expended by the Company, except by taking in part of the charges of the establishment. In the form of these accounts all supplies from England go in part provision of the investment, and what they do not supply has been supplied by the territory. The expense of part of the establishment has therefore been considered as part of the supply towards the provision of the investment, and only the difference has been charged.

4893. Has the supply been any more than what the goods realized upon the spot?—No.

4894. Does it not appear that, previously to 1765, the Company, in their commercial character, incurred an expense for the maintenance of settlements in India beyond the revenues?—Previous to 1765, I should consider the whole of that, both the revenues and the expense of the establishment, to be part of their commercial charges. If they could not carry on their commerce without having expensive establishments, troops and forts, then those are part of the commercial charges. If the Company had never acquired territory, there could be no other source to pay them from but the commercial profits.

4895. Must not the territorial assets which existed in 1765 have been the property of the Company in their commercial character?—Certainly.

4896. It would appear that you have endeavoured to controvert Mr. Melvill's assertion, that in 1765 the assets left with the territory more than
equalled

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equalled the territorial debt at that time; would you consider an official document, prepared from the records, sufficient authority to substantiate Mr. Melvill's assertion?—I should have no hesitation in admitting it. I beg leave to say, that perhaps I did not admit so distinctly that I had made an oversight as to the assets at the period referred to, as I did in speaking with regard to the second period. I stated, however, what I considered tended to show that Mr. Melvill had made more of the subject than there was in it.

4897. You have objected to Mr. Melvill's charge of interest upon the sums expended in the wars, and one of your grounds of objection is, that it accrues before the wars reached Bengal; do you not know that valuable territory was acquired at Madras by means of those wars, and how can you reconcile a charge of interest in the one case and not in the other?—One has been accustomed to speak of the acquisition of territory, and of the acquisition of the Dewannee, as having taken place at the same time. I am aware that they had some territory at Madras, but to what extent I do not know. That territory was, however, lost during the course of the war, and must be said to have been reconquered by this country, since it was recovered for them by the conditions of the peace.

4898. You said that the territorial branch got no advantage from the money spent in the acquisition of the territory; is not the trade to be considered as the agent by which the territory was acquired; and the object now being to ascertain what has been expended on the territorial distinct from the commercial account, should not the sum which trade, as the agent, expended in obtaining the territory, be stated as a charge incurred on the territorial account?—The whole of my argument has been to show that it ought not; and I cannot conceive that the territory could have derived any advantage from the £5,069,000, supposing that the event of the war had fallen out otherwise, and the Company had not become possessed of the country. Were I to judge from what has occurred in the other colonial possessions of this country, I should say the £5,069,000 would not have been exacted from India as a debt. There is no colony which has not cost the country much money, and I believe neither the Government nor the legislature contemplate its exaction from the colony in any case.

4899. Supposing the country which has been acquired to be a valuable acquisition, has this country been benefited by the expenditure of the five millions?—I dare say it has, and the Company too.

4900. You have expressed an opinion, that the increase of territorial assets in 1793, as compared with 1780, must have been very trifling; have you any foundation for that opinion, or for believing that Mr. Melvill overstated the amount when he said (4472) it was £2,161,329?—Upon a comparison of the assets from 1792-3 to 1808-9, I find the proportion of the cash and bills on hand to the whole of the assets has been from about one-fourth to one-eighth of the whole. In the three last years of that period it amounted

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to as much as one third of the whole ; but I conceive that one-fourth of the whole is all that we can conceive to have been the addition. The remainder of the £2,161,329 assets had no right to come into the account at all, because the greatest part of them had been already paid for and entered in the charges. The different heads of assets are, cash and bills, stores, &c. When the stores are purchased, they are entered in the charges, and they must not be entered again in the increase of assets ; the same as to the advances for salt and opium. When those advances were first made, they must have been entered in the salt and opium accounts ; and therefore, if those were now to be reckoned in assets, as an addition to the application of funds in that account, they would be charged double. Of course, as no statement of the assets in 1780 is given, it must be mere guess work ; but I should think that one-fourth is all that ought to have been considered by me as increase of assets.

4901. You mean that you have not sufficient documents before you to show that there was an increase of assets to the extent of £2,100,000 :—I said, that by a comparison of the total receipts and disbursements in the account at p. 256* of my evidence, some idea might be formed of it. It appears that the total receipt in the sixteen years was £79,662,000, and the total disbursement £75,930,000 ; so that of those assets I think it is fair to presume that upwards of £3,000,000 existed in 1780. What the exact amount was in 1792-3 I do not recollect ; it may have been what Mr. Melvill says ; but of that £2,100,000 a considerable part must have already been entered in the charges.

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4902. With respect to sums written off between 1780 and 1793, do you mean to say that they should not be included in the charges, supposing them to be of a territorial nature ?—I should think it would not be possible exactly to say whether they should or should not until one knew of what they consisted. Supposing they are of a territorial nature, I think it is still very possible that they had no right to come in. Mr. Melvill states one item which I should decidedly say had no right to come in. He says it will be seen that a considerable amount of debt from the Nabob remained for future adjustment. If that debt from the nabob was owing for money lent to him out of the revenues, it might be a proper thing to write off, but if it was only a sum which he was to pay by treaty, and which had never been received, it could not go out of the receipts.

4903. Is it to be understood that all sums of that nature written off, which you have omitted in your figured statement, are omissions to be supplied as Mr. Melvill has pointed out ?—With regard to the losses written off, I should entertain great doubts about it ; I think no opinion can be entertained as to the propriety of that sum, either in the period that is now spoken of, or in the period from 1792-3 to 1808-9, in my account, where I have introduced it, but with a strong impression that it ought not to be there. I think no opinion

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4904. Supposing that money has been lent or has been expended for the Nabob of the Carnatic, then you allow it is a territorial debt?—Supposing that money has been expended for him in the course of the wars, I should say that that money had been already charged to the territory in the military charges of that period, and therefore if it is said you must pay us a million in reimbursement of those charges, and that sum is not afterwards received, yet that debt, though a loss to be written off, is no additional outgoing, because it has already gone once out of the account when it occurred in the military charges. There are other cases which may be conceived, actually of a territorial character, which would not have to come into such an account. For instance, suppose there are arrears of revenue which are deemed irrecoverable, and are therefore written off; as they have never been received, they could not be entered as outgoings.

4905. If any of those charges which were written off were distinctly territorial, ought they not to be placed against the territory as a charge?—I should say it is impossible to know that without knowing the nature of them, because there are some territorial charges which ought not to come in; as for instance, this very charge of the nabob, I think, in all probability, ought not to come in, because it was not an actual outlay, or if it was an outlay, it is probably already included in the military charges.

4906. Should you conceive that no sum should be written off as a territorial asset which had not been included in some previous account as a receipt from the territory?—I should think it ought not. In explanation of these answers relating to the “losses written off,” I beg leave to say, that my meaning is not that debts irrecoverable, and which have been entered on the books as assets, should not be written off, but that they should not be entered into accounts professing to give the receipts and the outgoings, as outgoings, such as in my account for the third period, and the estimate I presented for the second period.

4907. Have you not admitted, that by correcting the mistake into which you fell regarding the debt from 1780 to 1793, and by adding the year 1792-3, omitted in your Statement, there is £820,000 to be deducted from the sum with which you held commerce chargeable?—I have said so; but I must beg leave to remind the Committee, that when I first gave in that account, I stated it to be a mere estimate, for which I had very insufficient documents; and I was endeavouring this morning to correct that account according to the observations of Mr. Melvill, and according to that, I should certainly make out that there was a balance against the territory during that period; but still not nearly to the amount that Mr. Melvill does.

4908. As there was a serious territorial deficit in 1780-81, and as you have omitted that year also, would not the supply of that omission still further lessen the sum for which you consider commerce responsible?—No doubt it would.

would. In the estimate I made this morning I have so included it. I have taken the deficiency in 1780-81 from the average of the three following years, which would reduce the net surplus; but the account of 1792-93 being taken in, in which there was a considerable surplus, that would have to be added.

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4909. As there were no complete statements of the Company's affairs before Parliament for the whole of the period from 1780 to 1793, do you think that any conclusions can safely be drawn from statements prepared from other and unauthentic materials?—No; I certainly never thought that my account was one that could claim any such confidence.

4910. Did you make up your estimate from any unauthorized statements?—I took it from a compendium which was published in 1802. The documents were not printed at that time; and I stated in my evidence, that to have got the originals here in manuscript would have been a work of great difficulty and labour, and therefore, I took the compendium, which was published by an officer of the India House in 1802; and, so far as I have been able to compare the amount of the receipts and the disbursements contained in that compendium, and also in the Appendixes to the Second and Third Report, I found that they agreed, and therefore I concluded that the whole was correct.

4911. As far as you have been able to compare the statements since published with those in the compendium, have you found them correct?—Yes.

4912. Have the home charges been included in those statements?—The home charges were not to be found in the compendium, and therefore I had no other course to pursue but to take the average for the nearest years for which the accounts were given.

4913. With regard to interest upon the crore of rupees which was to be advanced to commerce annually under the Act of 1793, did not Mr. Melvill (4493) simply contend that interest should be charged for the whole period, and was it not solely in reference to your having made the charge partial that he submitted that in that view interest should accrue on the sum in which India failed to fulfil her engagement under the Act of 1793?—In my last examination I admitted that I thought interest ought also to be charged from 1781, because in the Act of the 21st Geo. III, which I was not aware of when I made my former remarks, I found that the Government was to partake in the commercial profits as well as in the surplus revenue from that period, and therefore I think interest ought to go from thence.

4914. Why do you stop at 1780?—Because from that period the whole of the commercial as well as the revenue surplus profits were taken from the Company, and claimed to be divided between the Government and the Company, and therefore it was no longer competent for the Company to dispose of the revenues, and appropriate them, after they had been restricted

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to their dividends solely. That was the ground upon which I suggested the interest account in the first instance.

4915. Then are the Committee to understand that you consider that the accounts of the East India Company ought to have been made up from 1780, in the form of debtor and creditor, the same as any merchant would have made up his accounts, as the public were, by Act of Parliament, to participate in the net surplus?—The Acts do not say anything about interest to be charged; but I think it would be fair that it should be charged.

4916. Do not the Acts direct the appropriation of a certain surplus?—They do.

4917. How would any surplus be ascertained unless the account of interest on both sides, as regards territory and commerce, were kept?—That is the way in which I suggested it.

4918. Why should you not go back to an earlier period?—Because in the earlier period the Government did not claim to participate in the commercial profits.

4919. Then you allow that the £400,000 which was derived from territory is not commercial but territorial?—I conceive it is part of the territorial surplus revenue.

4920. If you wish to make that account between territory and commerce correct, antecedently to 1780, would not you conceive yourself called upon to make a debtor and creditor account, as regards interest?—I do not know that I should. I think that the Acts of 1767 and 1769, and the subsequent ones, gave the Company full licence to take the surplus revenues and appropriate them to themselves, subject to the share they claimed out of them; therefore, provided the Company confined themselves to that surplus, I think they were not liable for interest upon it.

4921. In the Company's making out an account between commerce and territory, was it not equally incumbent that an account of interest should be kept, to enable them to make that distinction at the time as well as afterwards?—Perhaps it might; they could have no just view of the result of their concerns without it.

4922. Does not the Act of 1793 provide for the supply of the crore to the trade before mentioning the discharge of debt?—It does. The 107th clause provides, first, for the payment of those sums which would have to be paid if there had been no clause of appropriation; then it prescribes the crore to be paid, and after that it says, that if at any time the debt shall be reduced, either by payments in India, or by transfer to England of any part of the debt, the advance to commerce may be increased in proportion as the interest in India is reduced, if the Company's commerce require it; if it do not require it, then that any further surplus shall be applied in liquidation of the debt.

4923. Was not the debt to be discharged by bills upon England?—It leaves

leaves it open that payments might also be made in liquidation of debt in India.

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4924. Before there could be a discharge, was it not an indispensable prerequisite that the million sterling should have been paid?—The Legislature must have had some cause for making the separation; and I consider that though, in framing those two clauses, a view has always been had to the one in the provisions of the other, yet still that each clause ought to be fulfilled and obeyed in itself, so far as it can be.

4925. Do you think the Legislature would have made an enactment compelling the Company to pay such and such sums, the £500,000 to go to Government, and the remainder to be paid in other ways, unless they had supplied the means of so doing, by giving them this crore of rupees?—It is very possible that the profits of the Company, even without the crore of rupees, might have sufficed to do that, and the 111th clause does not allude to the crore, though no doubt the advance of it had been in contemplation when those payments were enacted; but there is a great distinction between the way in which the crore is mentioned, and the £500,000 to be paid into the Exchequer. Mr. Melvill considers that the territory was bound by law to yield the crore annually to commerce, but the fourth head of appropriation merely states, that the crore shall be advanced for investment; and in speaking of the £500,000 paid to Government, it says, that if in any year the whole of this shall not have been paid, in the following year, after the completion of that head of appropriation, any surplus shall be employed in paying up the deficiency that remained; and if at any future time there should be a surplus after paying up those appropriations, and all the deficiencies there may have been in the payment into the Exchequer, that then that surplus shall be applied also in liquidation of the debt; therefore it shows that there was an intention that that should be compulsory, but it says nothing of the kind with regard to the crore.

4926. Is not that always with the understanding that the prior clause is to be enforced?—The second head of appropriation in the 111th clause is, that £500,000 shall be applied in the reduction of Indian debt, but that clause does not make it compulsory, in case this has been omitted in any one year, to make it good in another.

4927. Does it not take it as a whole?—No, it distinctly makes a provision for any deficiency in the payment of the £500,000 into the Exchequer. But I beg leave to observe, that I neither wish to attach any value to my own opinions, nor do I think that much more ought to be attached to Mr. Melvill's, upon a disputed clause in an Act of Parliament.

4928. You were understood to object to the practice of bringing arrears of allowances into the account as debts before they are entered as charges; are you not aware that the Company's revenue and charge accounts comprise cash transactions only, and ought not the quick stock accounts to contain

20 Sept. 1831. contain all debts?—I conceive that if the accounts are kept as described by Mr. Melvill, upon the footing of double-entry, that wherever an amount is entered as a debt owing to a person, it must be entered on the other hand into the charges out of which that debt arises. It appears from his answer that the allowances are entered in as a debt, but not entered in as a charge; therefore it appears to me inconsistent with the assertion that they are kept by double-entry as merchants' accounts.

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4929. Upon what principle do you consider that £1,709,824, which is the excess of floating debt, should be charged to commerce?—The difference is only £764,527. I have no other data to go upon in making the interest account but the annual increase or decrease of the debt. If the debt had been adjusted for every year, I might then have taken the exact increase or decrease; and if the Second Appendix to the Third Report is to be explained as I have now heard, that the allowances really are not entered as debts or as charges till they are actually paid, an adjustment may be required. It can only be made upon knowing in what manner each year is adjusted, because it is impossible to know in what year the actual payments have subsequently been made.

4930. Why is it put to commerce rather than to territory?—It is not put to commerce. I have explained in my first evidence, in answer 2912, the way in which I have made up the account. Mr. Melvill, in his evidence, objects to the system I have pursued, and says it is erroneous; and in my last examination I stated the reasons why I conceive that system perfectly applicable in this case. The reasons I assigned were, that though the principle I have followed would not be applicable in a mercantile concern, where there are many debts and credits arising, yet with the territory it appears to me to be perfectly applicable, because they have not many applications of their funds, except to the commerce and for government, and all the outgoings are regularly detailed; now, if all those are brought into account, I conceive there can be no other party which can have got the funds for which no account can be given, except the commerce. There may occasionally be occurrences where funds are applied, and which have not made their appearance in the accounts, and an adjustment might be required; but then no person can show it except the Company. I may suppose the instance of a cashier having made a defalcation, that of course would be an application of the funds for which commerce would not be answerable, and if such a thing happened, it would of course have to be placed to their credit.

4931. You have said that the difference is £764,527; is there not also a difference upon that account of £500,000 paid to government in participation of the revenues, which you have charged to commerce?—I have not charged it to commerce; I have left it out of the territorial account for adjustment, but I conceive that having been, in the third head of appropriation in the 111th clause, decidedly stated that it shall be paid out of the commercial surplus profit,

profit, it ought to have gone out of that fund, and not to be charged out of the territory. 20 Sept. 1831.

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4932. Have you any observation to make with respect to the third omission, namely, £520,799, being the amount paid in bills of exchange beyond that charge in the accounts, owing to the rate at which the bills were drawn being an excess of the rates at which the accounts were stated?—I gave in my former evidence an explanation of that likewise; that I have not introduced it into the account, because it did not appear to have been any specific payment, but I left it as a subject of adjustment, because the Third Report had already named it as such. If my original account were here, it would be seen that upon the back of it I have set down all those subjects which I conceive would require adjustment.

4933. There is another item of £250,081, being the sum applied to St. Helena by the Board, in excess of remittances of that kind from St. Helena?—My answer to that is, that I think Mr. Melvill is wrong in supposing there is such an omission in my account. I have stated in my evidence in what manner I have entered the charges for St. Helena. In Appendix 51 to the Fourth Report, it is stated, that the charges or losses at St. Helena had been adjusted to the sum of £1,046,643; that was therefore the total charge of St. Helena, including every thing, but not specifying the manner in which it arose, nor do I find in the Report any account of the adjustment; but I have taken that as the basis, and allowed for the whole of that charge; the rest of the explanation will be seen in my former evidence.

4934. Have you taken into consideration the amount of increase of assets in St. Helena, and do you not know that they must have been to a great degree created by supplies which do not enter into the charges?—No, I have not made any allowance for increase of assets at St. Helena.

4935. You have stated that there might be adjustments; in what manner is the insurance account of the East-India Company brought into their accounts, and where are the losses debited that have occurred?—No insurance account has been published in the accounts.

4936. Have you made no allowance for any losses by sea or capture in any of those accounts?—I have not entered them in the account, but I have stated that the subject is one that might require adjustment.

4937. You appear to have in some cases charged to the territory, and in others omitted to charge to it what were termed doubtful items in 1811; are the Committee to understand that you have done this merely upon your own judgment?—Undoubtedly, only upon my own judgment; but I have stated those heads which I have omitted in the list of adjustments which had to be made, and I stated in my last evidence, that with respect to those items which I had included in the territorial account, I had a strong impression, not only that some of them required adjustment, being described as doubtful by the Select Committee, but I had doubts entirely with regard to some of them, namely, the losses written off.

4938. You

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4938. You have expressed doubts as to the accuracy of the fact stated by Mr. Melvill, that the cost and charges of all the commercial consignments from Bencoolen have always been credited to the territory in the home accounts ; what further evidence do you require than that of the officer responsible for the correctness of what he asserts ?—I am not aware that any other authority would be required ; but I mentioned the circumstance, as one very extraordinary, that there were Directors upon the Select Committee who must have been aware of the circumstance, and that they should have allowed that remark to be made in the Third Report, and the account placed amongst the doubtful items, when the same explanation which Mr. Melvill now gives would have at once cleared up the matter, and caused that remark to be expunged ; and as no such steps appeared to have been taken by those Directors who were upon the Committee at that time, I thought it possible that Mr. Melvill might have been in error. I do not doubt his accuracy, but the most accurate man may commit errors.

4939. You referred to certain discrepancies between the account of the receipts and payments in England, dated at the India Board the 14th of January 1830, and an account of the transactions between the territorial and the commercial branches, dated at the India House, the 2d of June 1830 ; do you not know that those accounts differ in principle ; how then can you expect a precise accordance in detail ; and are you not aware that the accounts furnished by the Board, as stated by Mr. Leach last year, are prepared from the annual accounts of the Company, which are required to be made up quickly for Parliament, and that the Company's account of 2d of June 1830, contains all adjustments subsequently effected ?—I stated, when I mentioned those discrepancies, that I had no doubt they could be explained, but that, as the public have no means, and I may say, Members of the House, and even of the Committee, have no other means of judging of those matters than from the accounts published, if they do not afford the means of coming to any correct conclusions, they are very insufficient for the purpose for which they were intended. The discrepancies are such, that whether contained in the same account, or in different accounts, the items are at least the same ; and how the differences should occur is almost inexplicable ; why, for instance, a cast-iron bridge should be said in the one to have cost £4,000, and in another £5,000 odd, and various other items. Here is a list of the different receipts and payments, with the differences between them

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COMPARISON of the several Heads of TERRITORIAL RECEIPTS and PAYMENTS in England, as contained in the General Statement, No. 21, of Papers dated India Board, 14th January 1830 (Parliamentary No. 22, of 1830), and in the Statement of Account between the Territorial and Commercial Branches, &c., dated India House, 2d June 1830 (Parliamentary No. 499, of 1830).

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R E C E I P T S.		Statement from the India House.	General Statement from the India Board.
		£.	£.
1. Of Government, on account of the claims of the Public.	*p. 33	103,223	103,223
2. Bills for supplies to public service in India, &c.	Gen. State ^t .	—	—
Bills drawn in the Company's favour, for supplies furnished from territorial funds in India	Statement *33	142,756	143,557
3. Net produce of bullion remitted from India	Gen. State ^t .	—	—
Net produce of bullion received per Stir-ling Castle, from Fort St. George ..	Statement *33	324,015	324,107
4. Advances in India to owners of Company's ships	Gen. State ^t .	—	37,481
5. Bills drawn by the Court on India ..	Statement *33	7,891	—
6. Net produce of spices sold in the year ..	Statement *33	154,521	—
7. Disbursement (deducted from the credits in p. 33* of Statement) in England and China, on account of the Public, included in the Company's claims upon Government in the territorial department	Statement *33	732,406 74,639 657,767	— — 608,368
P A Y M E N T S.			
8. Passage of Military and supplies on the voyage ..	†2	79,101	79,109
9. Interest, sinking fund, charges and repayment of loan from the Public in 1812	†2	244,044	244,044
10. Bills for cash received by the Indian governments	Gen. State ^t .	—	—
Bills for effects of officers deceased ..	Statement †2	13,136	13,136
11. Bills of exchange for interest of debt	Gen. State ^t .	—	—
Amount of payments actually made on account of bills of exchange drawn for interest on Indian debt, 1814-15. .	Statement †32	834,022	834,323
12. Officers' pay on furlough and retirement. .	Gen. State ^t .	—	—
Officers' pay £147,609	Statement †2	283,301	283,993
Off-reckoning funds 135,692			
13. Political freight and demurrage	Gen. State ^t .	—	—
Political freight and demurrage, exclusive of amount charged on exports ..	Statement †2	51,081	72,610
Carried forward ..	£	1,504,685	1,527,215

* Appendix to Report of the Lord's Committee, p. 895.
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† Ditto, p. 894.

† Ditto, p. 864.

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PAYMENTS—continued.			Statement from the India House.	General Statement from the India Board.
			£.	£.
Brought forward ..			1,504,685	1,527,215
14. Political charges general	Gen. State ^t .	—		
Political charges general, exclusive of } advances recoverable in India }	Statement.	*2	283,316	266,842
15. Military and marine stores for export ..	Gen. State ^t .	—		
Territorial stores exported from Eng- } land to India. }	Statement	*2	405,238	381,435
16. Charges Prince of Wales Island, exports } provided }	Gen. State.	—		
Territorial stores exported from Eng- } land to Prince of Wales Island .. }	Statement	*2	21,704	6,790
17. Charges, Bencoolen, bills paid £3,741 }	Gen. State ^t .	—		
Ditto ditto .. exports provided 800 }				
Bills drawn from Bencoolen discharged } in England }	Statement	*2	8,562	4,581
Territorial Stores exported to } Bencoolen }				
18. Charges, St. Helena, bills paid £49,343 }	Gen. State ^t .	—		
Ditto ditto .. exports provided 29,663 }				
Bills drawn from St. Helena, discharged } in England }			148,679	79,006
Sundry expenses on account } of St. Helena }				
Territorial stores exported } from England to St. Helena 65,833 }	Statement	*2		
Ditto exported from China } and the Cape of Good Hope }				
to St. Helena }				
19. Carnatic debts, interest on } claims }	Gen. State ^t .	—		
Ditto, salaries and current } charges }	Statement.	*2	180,930	182,831
Carnatic fund }				
20. Cast-iron bridge and steam-engine ..	Gen. State ^t .	—		
Cast-iron bridge, &c. for the Nabob of } Oude }	Statement.	*2	5,744	4,629
21. Payments at China and the Cape to mi- } litary officers, his Majesty's navy, &c. }	Statement.	*2	15,713	—
22. Advances to public institutions, and re- } payable in India }	Statement.	*2	30,392	—
23. Java prize agents, on account of pro- } perty deposited in India }	Gen. State ^t .	—	—	166,250
24. On account of Government, expeditions } to Java, &c., and other services .. }	Gen. State ^t .	—	—	62,455
25. Bills from Amboyna, Banda, &c., and } charges on spices }	Gen. State ^t .	—	—	10,161
		£	2,604,963	2,692,195

4940. Does it appear that the accounts are made up precisely for the same period?—They profess to be for the same period.

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4941. Have not you found differences much greater in accounts after the lapse of a number of years?—My observation went to show, that the Board of Control is scarcely an efficient check. Now I will take one item. Here is political freight and demurrage, stated in the account from the Board of Control to be £72,610, for the year 1814-15; and then here is political freight and demurrage, exclusive of amount charged on exports, £51,081. It would appear, therefore, that the difference of £21,000 may have been a commercial charge; but the Board of Control appears to have been under the impression that the whole was a territorial charge, for it is enumerated amongst the territorial charges in that General Statement.

4942. Why does it follow that it is a commercial charge?—Because it is said in that statement made up at the India House, in which the territory is debited, that it is debited only £51,000 under that head; and it says, “exclusive of the amount charged on exports.” I therefore suppose that the difference may be the amount excluded.

4943. Might not it just as easily be supposed that it was political exports?—Then I think it would have been debited to the territory in the Statement. It appears odd that the territory should only be debited with £51,000 now, after the adjustment at the India House.

4944. Are you not aware that the only accounts from which the Board of Control could make up those returns must be territorial, for that the Board has no control over the Company’s commercial accounts?—I think, since the Act of 1813, they have also a control over the commercial concerns.

4945. You were understood to say, when speaking of the forbearance of the public towards the Company, that under the Act of the 21 Geo. III., three-fourths of the actual increase of the Company’s assets should have gone into the coffers of the state; do you mean balance of assets, after deducting debts?—I mean the clear surplus profits, after making allowance for the £400,000, which is said to have been paid to Government; that ought to have been part of the share of Government.

4946. Then are the Committee to understand that the commercial capital amounted at the close of 1814 to £20,302,764?—So it is stated in the February Papers.

4947. Are you not aware that that is the gross amount?—I conceive, from the expressions here, that it is the net balance, after deducting all their debts, excepting the six millions of capital, and without reference to the home-bond debt.

4948. Then, if it should prove to be the gross capital, your computations, founded upon that, must be erroneous?—They would be, no doubt; but I think it is clearly the net assets, exclusive of the home-bond debt.

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4949. In referring to the guarantee fund of twelve millions, proposed by the Act of 1793, and stating that the public were, previously to the Act of 1813, entitled to all beyond that, and consequently that Parliament made a present to the Company of the excess of commercial assets beyond that sum; do you not know that the guarantee fund must have been formed during the progress of the Company's affairs, and consequently that it must have been a security surplus to the capital employed in their trade?—My answer is, that the clause claiming the liquidation of any debt to the Exchequer, in consequence of omitted payments of the annual £500,000 from the assets of the Company, above £12,000,000, takes no notice of the guarantee fund; nor can, according to the Act, the guarantee fund be formed till after the debt has been reduced to £2,000,000 in India, and to £1,500,000 in England; but the debt, instead of being reduced, is increased, therefore there was no opportunity for the formation of the guarantee fund; but, if that period had arrived, any further surplus profit, after payment of the £500,000 into the Exchequer, was to be divided into sixths, one-sixth to go to the Company, and the other five-sixths to go to the formation of the guarantee fund.

Martis, 27^o die Septembris, 1831.

Sir JAMES MACDONALD, Bart. in the Chair.

JOHN SULLIVAN, Esq. again called in, and examined.

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4950. ARE there any points upon which you wish to offer any explanation of your former evidence?—I was desired to state the amount of the original assessment of the province of Coimbatore, as determined by the survey, as well as the produce of the revenue, in the first year of the assessment. Upon referring to the accounts, I find that the assessment amounted to 38,56,588 rupees, this was the assessment upon the waste, as well as upon the occupied lands; the land occupied in that year, and liable to assessment, was 1,009,670 acres, which paid 21,17,554 rupees; the land now occupied, and liable to assessment, is 1,444,073 acres, paying an assessment of 21,58,649 rupees, so that the land in cultivation has increased 353,367 acres, whilst the amount of the assessment has increased only 74,438 rupees. The permanent reductions made upon the original survey assessment amount to 7,69,236 rupees. By the conversion of the dry lands into plantations and gardens, and lands of that description, an addition has been made to the
assessment

assessment of 2,86,736 rupees, which makes the present survey value of all the lands, *occupied and waste*, 33,74,088 rupees. I should explain that the tax upon the lands artificially irrigated is much lighter in proportion to the value of the produce, than the tax upon lands which depend for their produce upon the periodical rains, it is the interest of the ryots, therefore, to make this conversion. Under this stimulus, the garden cultivation in Coimbatoor has increased since 1815, from 103,500 acres to 126,003 acres.

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I was also asked, whether there was any regulation which made it imperative upon the collectors to issue pottahs to the ryots, and my answer was, that such a regulation was passed in 1802; I was then asked whether that regulation did not apply to the provinces under the permanent assessment, and my answer was that it did; I should have added, that I considered the ryotwar the only permanent assessment in the country, and that all the regulations enacted for introducing that assessment were strictly applied to ryotwar districts. I will take the liberty of reading the preamble to the regulation which introduced the permanent settlement into the Madras territories, it is No. 25, of 1802; the preamble to the regulation runs thus. "That it is known to the zemindars, *meerassadars*, *ryots*, and *cultivators* of land in the territory subject to the government of Fort St. George, that from the earliest until the present period of time, the public assessment of the land revenue has never been fixed, but that, according to the practice of the Asiatic governments, the assessment of the land revenue has fluctuated without any fixed principle for the determination of the amount, and without any security to the zemindars or other persons for the continuance of a moderate land-tax." It is then declared to be the intention of Government to insure the continuance of a moderate land-tax, by fixing an assessment on all lands liable to pay revenue to Government, and in consequence of such assessment to vest not only the zemindars, but all *other proprietors of land*, with the proprietary rights of the soil. The date of this regulation was in 1802, and it was in accordance with the principles laid down in it, that Sir Thomas Munro commenced in that year, to fix, in perpetuity, an assessment upon all the lands in the district then under his charge. He completed this work, subject to a revision which was then in progress, and made a report of it to the Madras Board of Revenue, on the 2d of August 1807. My object in reading this is to show that the great principle laid down was that there should be a permanent assessment fixed upon all the lands of the country, not merely that the country should be divided into large portions, and the property in the soil vested in persons constituted to be proprietors of it, but that wherever property was found, whether in large or small masses, there was to be a fixed assessment.

4951. By permanency as affixed to the ryotwar system do you mean a permanent maximum as established by Sir Thomas Munro?—The term "permanent maximum," as commonly used, appears to me to convey the idea of over-assessment. I was asked what was the amount of *Sir Thomas Munro's*

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Munro's assessment; it occurred to me from that question that there was an impression that Sir Thomas Munro had the power of raising and lowering the assessment of the country at his own discretion. It may be necessary, therefore, to explain that he possessed no such power, as, when employed in the administration of the revenue, he was then only a subordinate officer of the government, and as such he could only recommend an alteration, but he had no power of making it. By a permanent maximum it would seem to be understood that there is a weight of taxation always hanging over the ryot, which is let down upon him at pleasure; the rule however is, that he pays a fixed assessment upon his land, and the exception from this is, where from adverse circumstances he requires remission. In Coimbatore there are upwards of 100,000 ryots who pay a land-tax direct to government. Out of that large number there are many thousands every year who require some reduction; the rule, as I have already stated, is to pay the permanent maximum, but I should state this, however, with some qualifications. I believe that neither in India, or in any other country, is there anything like an unvarying revenue. The amount of revenue in India must always fluctuate with the seasons, and with the produce of the country, as the custom and excise revenue of England fluctuates with the trade and commerce of the country, and as the interest of money depends upon the state of public credit and of the funds. At this moment there are causes operating in India which seem to make the idea of an unvarying revenue more visionary than ever, for in the last eight or ten years India, from a state of war and convulsion, has sunk down into a state of perfect peace. The consequence is, that much of the land which was left untilld is now productive, and much of the produce of the country which was formerly destroyed is now coming into the market; this sudden increase in produce has produced a great fall in the prices all over India; there is also an immense drain of specie to the mother country, which is now operating very materially upon the revenue, inasmuch as the ryots now for the first time find some difficulty in obtaining specie to pay. I imagine, therefore, that we are further off from an immutable revenue than ever we were.

4952. To what extent should you state the depreciation in agricultural produce to have taken place in consequence of the general establishment of peace in the country?—I suppose it varies from 30 to 40 per cent. in *some cases*, and it is still, I believe, going down. It is a singular circumstance, that there were two or three years of scarcity in the south of India before I left that country, and they were also years of very low price. From a communication I had the other day, it appears that the ryots in the Bellary district have refused to pay their revenues in money, and have required the collector to take them in kind, even at a very considerable advance in taxation.

4953. On the other hand, with respect to certain necessaries of life, such as salt and tobacco, have the prices of those increased or fallen?—These are all government monopolies, and they have increased enormously.

4954. Should

4954. Should you say that they have increased in as great a ratio as the prices of agricultural produce have fallen?—To the full, I should think.

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4955. What is the system of industry which is pursued; are any of those ryots daily labourers?—The great mass of them are in that condition; generally speaking all over India, the proprietor is the cultivator of his own farm.

4956. What is the lowest order of agricultural labourers?—Cooleys; the proprietary ryots all employ labourers in proportion to their farms, to whom they pay monthly wages.

4957. What is the rate of daily wages in India?—I think it is certainly under 3s. a month.

4958. What is the principal article of food?—In Coimbatore, the principal article of food consists of three articles, dewarry, bajary, and raggy, but very little rice is consumed, compared with those three grains.

4959. What is the state of their habitations?—They are much in the same state now that they have been from a remote antiquity; the walls are built of mud, and thatched with grass; they answer all the purposes of the climate. I have observed in many parts of Coimbatore great improvements in the habitations, tiles were substituted for thatch; the houses in the town are almost invariably tiled.

4960. Should you say that, generally speaking, the peasantry are in an improving condition?—In Coimbatore, decidedly.

4961. Do you mean Coimbatore, as compared with other parts of India?—Compared with other parts of India with which I am acquainted.

4962. Should you say that it is the case in other parts of India?—Not in all parts of India; not, for instance, in the district of Malabar, because there they are subject to the tobacco and salt monopolies; tobacco, in that province, from the humidity of the climate, is a necessary of life; they now pay two hundred and five rupees for a candy of tobacco, for which they used to pay only sixty rupees, before the establishment of the monopoly.

4963. Should you say that, generally speaking, they are contented with their condition?—The great mass of the people in Coimbatore, decidedly so. In Malabar and Canara, so far from being contented, I believe some of them are in a state approaching to open insurrection.

4964. Can you state the cause of that?—The principal cause I believe to be the monopoly of tobacco; another cause I conceive to be, the heavy expenses in the shape of stamps and fees in law proceedings in the courts of judicature. Altogether, I believe the taxation is heavier in Malabar and Canara, than it was under the native government, notwithstanding that a reduction has been made in the rate of the land-tax.

4965. Is the state of crime in Coimbatore more favourable than it is in other districts?—My impression is, that there has been a great diminution of crime in Coimbatore; one of the most aggravated offences we have in Coimbatore,

27 Sept. 1831. Coimbatore is from gangs of smugglers coming out of Malabar, ostensibly in search of tobacco, and plundering and burning houses, and sometimes murdering the inhabitants.
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4966. Are they dacoits?—They are not called dacoits, though their crime is in fact equivalent to that of dacoity; it is plunder and murder, and every species of atrocity.

4967. Have you had any late intelligence from Canara and the Mysore?—Yes, I have seen some letters upon the subject, and it was from these letters that I spoke when I said that the people in these provinces were almost in a state of insurrection, that is, that they were resisting the government demands, and alleging as a reason the oppressive state of the taxation.

4968. Has it not been necessary to employ the military?—So the letters I have received state, particularly, I believe, in the Mysore.

4969. Should you say that in Coimbatore the peasantry are, generally speaking, docile and obedient?—Generally they are so; there is, however, a spirit of independence growing up amongst them. I saw a marked change in the character of the people during the fifteen years I was there, arising entirely from the fixed assessment upon their lands; they are no longer the yielding people that they were, they resist exactions much more than they did.

4970. What is their character as to industry?—I should think the peasantry are as industrious a people as are to be found in any country.

4971. What is the state of education in that particular district?—There is no public fund for education. There are generally schools in every village that are supported by the people themselves, for teaching the elements of the vernacular languages. There are four schools supported by the government in Coimbatore, and I think the payments amounted to about three hundred rupees in the year. The population of the district is about 850,000, and the revenue is 2,700,000 rupees in a year.

4972. What is the extent of the country?—The area is 8,500 square miles.

4973. Can you form any conjecture what proportion of the population of that district would be able to read and write?—The proportion of the whole is, I imagine, very small indeed.

4974. Are the people anxious for education?—Very anxious indeed. I should say that one of the greatest boons which the Government could confer upon the people would be, having in every province in the country a large grammar school, and branch schools. That has been under contemplation, and it is partially effected; but the agency is so small in proportion to the population, that it cannot produce any beneficial result.

4975. If they are anxious for that, how comes it that they do not contribute more largely themselves to such a provision?—I have stated that there are
 already

already schools in every village in which the reading and writing their vernacular languages are taught. They are not, *in general*, in a state of such prosperity as to enable them to contribute very largely to establishments of that kind; the education given in the village schools does not exceed that of merely writing imperfectly, and reading a little of their own vernacular language.

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4976. When you stated that there are parts of the country in a state of insurrection, did they resist the payment of all taxes?—So the letters I have received state; of all description of taxes.

4977. What are the taxes of which they especially complain?—The tax upon tobacco, the tax upon salt, and the tax upon law proceedings.

4978. You mentioned a considerable fall in the price of the raw produce of the country, does that arise from a greater production, or does it arise also from the drain of specie to which you alluded, and the specie remaining becoming more valuable?—I should think both causes operate.

4979. To what do you attribute the drain of specie?—It is made, I believe, a principal medium of remittance to this country.

4980. Is it to be ascribed in any measure to the increased exports from that country to Europe?—I should suppose decidedly so.

4981. If that be so, are you not of opinion that if the products of India which may find a sale in this country could be considerably increased in quantity, and increased also in value, that injury to India would very much be remedied?—I should suppose it is the only way of remedying it.

4982. Are you not of opinion that a moderate permanent assessment would be one of the means by which that great object could be effected?—I think it is the foundation of all improvement. It is impossible to look for improvement in any way whatever, without a moderate assessment of the land; a moderate assessment would enable the people to accumulate capital, and that would be distributed in various channels of cultivation and of commerce, and eventually, of course, it will afford the means of indirect taxation.

4983. Should you conceive, that the permission to Europeans to hold land in India might be the means of considerably augmenting its prosperity, by introducing new modes of cultivation, and of preparing the different articles of the produce of India for the European market?—I should think so; in improving the articles for the market, and in affording to the ryots various means of improving their cultivation, and in introducing improved machinery for the irrigation of land, which might be introduced through the agency of Europeans.

4984. Do you not conceive, taking the Madras presidency generally, at least that part of it which is now subject to the ryotwar settlement, that under its present circumstances the maximum fixed by Sir Thomas Munro is considerably too high?—The assessment fixed by Sir Thomas Munro was only in five or six of the provinces of the Madras government, and it is

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infinitely lower than the assessment fixed in the permanently settled countries. I stated in my former evidence, that at this moment the proportion of the produce which the proprietors in Coimbatore pay as land-tax, does not, I believe, amount to much more than twenty per cent. The perpetual tax upon all the hereditary occupants of the soil, in every other part of the British dominions, amounts to between forty and fifty per cent. upon the gross produce of the soil, and that is a tax in perpetuity. That is the difference between the proprietors in the ryotwar district and the great mass of the people in every other part of the British dominions. The hereditary occupants of the soil, who are in fact the proprietors, where the tax is not so high as to absorb all proprietary right, now pay a share of the produce, sometimes as high as sixty per cent., and seldom below forty per cent. That is the tax upon them in perpetuity, and it obtains at this moment in all the Western Provinces of Bengal. It is a "*permanent maximum*" with a vengeance.

4985. When you state the proportion of the gross produce taken from the ryots at twenty per cent., should you not confine that observation to Coimbatore?—To Coimbatore, and to Malabar, and in Canara, where I believe the land-tax does not absorb more than twenty per cent. In Bellary and Cuddapah, and other provinces where the assessment upon the land has been fixed at a moderate rate, the same results will, I am persuaded, be obtained in the course of eight or ten years, that have followed from a moderate land-tax in Coimbatore.

4986. Are not some of those provinces in a state of insurrection?—By the last accounts they were, but the alleged cause of that is, as I have stated, the salt and tobacco monopolies.

4987. When was the first assessment in Coimbatore fixed?—In 1802.

4988. Did it not vary in 1809?—It was entirely lost sight of in 1809.

4989. Do you not consider that that variation in 1809 was, in some measure, a breach of faith?—It was, no doubt, a breach of faith, through inadvertence to existing engagements. The natural consequence of a fixed assessment is to induce the ryots to lay out capital upon their lands; under this stimulus the individual proprietors in Coimbatore had expended considerable capital upon their lands from 1802 to 1809, when the government let out the public revenue of each village to contractors. There was no obligation upon those renters to observe the conditions of this fixed assessment. They were left at liberty to collect from the individual proprietors either a share of the produce in kind or a money-tax, which fluctuated with the different kinds of produce; either of these modes of collecting the revenue operated as a direct tax upon industry. In my view of the subject, therefore, the Government unintentionally broke faith with the ryots when they formed such contracts.

4990. Was the assessment they paid in 1809, under the village system, higher

higher than what has been paid since?—It was a rack-rent; it was the highest amount of revenue that had ever been drawn from the country. 27 Sept. 1831.

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4991. It appears that in the year 1815 there was a considerable increase in the land revenue derived from Coimbatore, over and above that which had been received under the village settlement, will you have the goodness to explain that?—That was in consequence of extensive frauds having prevailed in the settlement of the revenue for the four preceding years; lands which were liable to assessment having been illicitly concealed, were in 1815 brought to account; 1815 again was an extremely favourable year, the land in the occupation of the ryots had been very greatly extended, but still the settlement of the revenue was much higher than it ought to have been, and it was diminished in the succeeding year considerably.

4992. Was it diminished by any authority of Government, or only the authority of the collector?—It was diminished then by the collector, with the sanction of the Government.

4993. Do you conceive that after that diminution, any fixed permanent principle of revenue was established in Coimbatore?—It was a remission upon the permanent assessment.

4994. Does the high rate remain as a permanent settlement, subject to remission?—It remains as a permanent settlement, subject to remission.

4995. Does the actual revenue now derived actually amount to a fixed permanent settlement, or is it below that amount?—It is below the amount of the survey assessment. Land which is newly brought into cultivation is always held at a lower rent, it is given at one quarter the assessment the first year, and half the assessment the next year, and three quarters the third year; or sometimes it is ten years before it reaches the full assessment.

4996. Upon whom does that remission depend?—It depends upon the recommendation of the collector, subject to the sanction of Government.

4997. Are there any fixed rules upon that subject?—There are established rules. When the land has been in cultivation within ten or twenty years, the remission does not extend beyond the fourth or fifth year; but if a jungle is to be cleared, or the land has never been tilled, the ryots are permitted to possess it three or four years free of all assessment.

4998. Is there not a fixed assessment upon each field, in the ryotwar system?—There is.

4999. Is not the fixed assessment, to which you have alluded, higher upon the fields which have been for a long while in cultivation, than the payments which are actually made by the ryots on account of those fields?—In a great majority of instances, the ryots pay the full assessment upon their fields. That is the rule; the exception is remission, which takes place from a variety of circumstances, as remissions from rent are made in this country. I may state,

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that during the fifteen years I was in Coimbatore I believe there were not fifteen cases of distress for rent, and there never was an instance of a man being confined as a defaulter.

5000. In speaking of the proprietary rights of the ryots in Coimbatore, do you mean that they cannot be deprived by the government of the occupancy of their lands, upon any pretext whatever?—Not legally; so long as they pay the fixed assessment, they are considered the proprietors of the land.

5001. Have they in practice been dispossessed of them?—There have been some instances. I received an account when I left Coimbatore, of some ryots upon the Nilgherry hills who had been dispossessed of their land, for the purpose of an experimental government farm being formed there.

5002. Were they forcibly dispossessed, or for valuable consideration?—Forcibly dispossessed, as I understood; the Governor took possession of their land, and one of them came to the Governor to complain, and I believe, in his anxiety to have his complaint redressed, he seized the bridle of the Governor's horse, for which he was handed over to the military police to be flogged. He had no redress but going to the courts; but as the courts are at a great distance, and as a law-suit is very expensive, they were in fact without redress at all.

5003. Is it to any considerable extent that those individuals have been dispossessed?—It was a tract of very fine land; I do not know the exact extent of it.

5004. What is the military police that you allude to?—A military police which was established at Ostacamud, in the Nilgherry, in 1828.

5005. Of what is the military police formed?—The commanding officer and the commissariat officers have the superintendence of the police; the alleged object of it was to prevent collision between the civil and military authorities.

5006. Were there any sepoys cantoned there at that time?—There were no sepoys when it was established. A company of sepoys were marched in when it was declared to be a military cantonment.

5007. What is the name of the military station?—Wotacamund.

5008. Is their jurisdiction confined to the spot where it is established?—No, it extends over a circle of nine miles, and comprises all the private houses, lands and gardens, comprehended within that circuit.

5009. Are all the inhabitants of those houses subject to that jurisdiction?—If military men, or attached to military men, they are liable to be punished by the police, and all classes are subject to the surveillance of that police.

5010. Does it exist in other parts of India?—It exists in the cantonments,
under

under a regulation of the Madras government, enacted for the purpose of preventing drunkenness among the troops. The military police was made predominant over the military in those cantonments, in order to prevent the introduction of spirits, and the consumption of spirituous liquors for the use of the troops. 27 Sept. 1831.
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5011. Were the houses built by the individuals that occupied them, or by the government?—They were built by individuals, but the government appointed a committee, and summoned all the house-proprietors before it, desiring them to show by accounts what the houses had cost, and instructed the committee to assess a rent upon each house, but the inhabitants remonstrated against it, and I believe it was afterwards abandoned.

5012. Is there any law existing by which the local governments are empowered to form military stations?—There is the regulation I alluded to, which empowers them to place the troops and sepoys under the military police, but that was not applicable to a station which was made up of a collection of private houses and gardens.

5013. Do you conceive that the people of Coimbatore are equally taxed?—Certainly not equally taxed; I conceive that taxation falls too heavily upon the lower orders. There is a tax upon agricultural labourers which is an exceedingly objectionable tax, it is in fact a tax upon the landed proprietors, who in fact pay it.

5014. In what way would you remedy the inequality of taxation?—I proposed that there should be an income tax laid upon the higher orders, who are exempt altogether from taxation; many of the great capitalists, and the people employed largely in trade. A very good opportunity occurred of introducing such a tax in Coimbatore, in consequence of some great robberies in which persons of that description were the sufferers; they were assisted to recover their property by the police, and as they contributed nothing directly to the support of the police, or to the exigencies of government, I proposed to the government to take advantage of the opportunity of introducing a tax upon their incomes, but no notice was taken of the proposition.

5015. Are there considerable duties imposed upon the exports of the produce of Coimbatore into Malabar?—There is an additional tax of five per cent. on the difference of the tariff valuation between the two provinces. If the tariff valuation is fifty per cent. in Coimbatore, the transit duty amounts to five per cent., it is frequently fifty per cent. more in Malabar, and another five per cent. is levied upon the difference. The town of Coimbatore, which is the capital of the province, is not above fourteen miles from the Malabar country, all persons who have paid duty at the custom-house at Coimbatore, are liable to another duty upon entering Malabar.

5016. Do you conceive those custom stations to be very injurious to the general commerce of India?—Undoubtedly.

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5017. To whom did the land belong which is comprehended within the military cantonment you have mentioned?—It belongs to the ancient inhabitants of the hills, the Todawurs, a people who have been in possession of the land from the most remote antiquity. The government have rights of revenue over those lands, and no compensation whatever was given to those people. If the government had made compensation, those ancient proprietors would now be deriving a handsome landlord rent for the land, and have considerably increased the government revenue.

5018. What has become of the individuals so dispossessed of their land?—They have been driven to another part of the hills, entirely excluded from that part, which was a very favourite spot with them.

5019. Upon what plea was it that they were dispossessed?—It was first imagined that the government had the proprietary right in the soil, but in the course of investigation into the nature of the tenure there, it came to my knowledge that they were considered by all the other classes on the hills as the original proprietors of the soil. I should explain that the Todawurs are a pastoral tribe, who subsist entirely by the produce of large herds of buffaloes; all the agricultural classes consider that they hold their lands of them as proprietors, and as such pay them a share of the produce. I stated this to the government, and strongly recommended that they should receive compensation as proprietors; my views, however, were not taken up, and the proprietors have received no compensation to this day. From the salubrity of the climate, the fertility of the soil, and the abundant supplies of water which the Nilgherries possess, this promises to become a place of great resort to Europeans, and in process of time the native proprietors are likely to lose the whole of the lands. It has, indeed, been proposed, I believe, by the government of Madras, that farmers should be sent from this country to cultivate those lands.

5020. For what purpose was this farm of the Company established?—The farm was established for agricultural experiments, the houses alluded to were built for the accommodation of invalids resorting there for the benefit of their health; the government advanced loans to gentlemen, repayable upon certain conditions, and at certain periods; after the houses had been built, the government turned this station into a military cantonment, and then claimed a right to fix the rent of all the houses in it; the proprietors were in consequence called upon to state the cost of the houses, and the committee proceeded to fix the rent; but a remonstrance was made against it, and the government, I believe, withdrew the order.

5021. In the memorandum relative to the commercial resources of Coimbatore, which has been produced by you, mention is made of a plan for opening an inland communication between the provinces of Malabar and Coimbatore; did you make any proposition to the government upon that subject?—I stated the grounds upon which it appeared to me that such a plan was feasible; I pointed out its advantages, and suggested that an experienced

perienced engineer should be deputed to examine it, and to investigate the resources of the province generally, both for irrigation and for canal communication, but no notice was taken of that suggestion.

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5022. When did you make that recommendation?—In 1829.

5023. Would it have required a large outlay of capital?—It would have involved a good deal of capital, but nothing commensurate with the advantages of the work.

5024. Do you consider the commerce of the country sufficiently large to afford an adequate return for capital laid out there in works of that kind?—Decidedly so; this plan combined irrigation with internal communication.

5025. How is that communication carried on at present?—Either upon bullocks or upon two-wheeled carts, which is enormously expensive, and very often very tedious.

5026. Are they employed in large numbers?—In very considerable numbers. To show the extent of commerce in India, it may be sufficient that the collection of the public revenue generally begins in October and ends in June; there are then three or four months cessation in the collections, and in October they begin again. A large portion of the revenue so collected is in the first instance withdrawn from circulation, by being locked up for some weeks or months, as the case may be, in the provincial treasuries; it is then often remitted in large sums and in specie, sometimes to the extent of half the revenue of the province, to the presidency, at the distance of three or four hundred miles. It requires that the specie should be back again to enable the collections to recommence at the season fixed, which is in October, and it can only come through the different channels of commerce. This shows at once the wonderful elasticity of the commerce of the country. The traffic would be considerably increased if a communication was opened by water to the ports of the western coast. I have stated that cotton is now carried by land carriage three or four hundred miles; it would find its way to the western coast by a water communication, if one was opened; that is a point of particular importance, because at the late sale at the India-House, cotton, the produce of Coimbatore, was considered equal to any cotton brought from America. That kind of cotton could be grown to any extent in Coimbatore; cotton, as being one of the most valuable articles, would supercede the poorer kinds of grain in the richer lands, and fresh soil would be broken up for the cultivation of those grains.

5027. What is the distance of Coimbatore from the Malabar coast?—About ninety miles in a direct line. I allude to the Poonaney river. The plan which was in contemplation was to cut a canal from a place called Animally to Tertulla, where the Poonaney river becomes navigable. The cultivation of the silkworm would probably be extended in Coimbatore, and sugar would probably be an article of export.

5028. Might

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5028. Might not cotton so sent to the Malabar coast be taken on board the ships going from Bombay to China?—With great advantage.

5029. In what month do they begin to gather the cotton?—Some of the cottons they begin to gather as early as February, others in March and April.

5030. Would not that admit of its being sent on board the ships in March?—At the end of March and the beginning of April.

5031. You also spoke of a rail-road; is there any probability of a rail-road being made there?—Iron is remarkably cheap in Coimbatore, and so is fuel and labour; and therefore, though I do not think that a continuous line of rail-road would answer, yet in places where there is any natural obstacle to the execution of a canal, one canal might be connected with another by means of occasional rail-roads.

5032. Do you think the trade would be sufficient to pay for such an undertaking?—I should think it would amply pay, as tolls might be levied.

5033. Is there any machinery now employed in the fabrication of iron in the Madras territory?—Machinery has been introduced within the last few years by a Mr. Heath, a gentleman of great enterprise; I believe he has the exclusive privilege of manufacturing iron till the end of the charter.

5034. Is he able to produce iron to enter into competition with the English iron?—That remains to be proved; he has gone out upon that speculation.

5035. Is the quality of the iron equal or superior to the iron of this country?—It is, I believe, very superior to any iron in this country, and even to Swedish. I understand that some good cutlery made here from some iron that Mr. Heath sent home, was considerably superior to any manufactured from Swedish iron.

5036. Were the canals mentioned by you, and the dams and other works to which you have alluded, constructed by the natives or by the government?—Chiefly by the native governments, and by individual natives living under the native governments.

5037. Have any been lately constructed by the government?—Some old ones have been lengthened, but nothing more.

5038. In a country where labour is so remarkably cheap, of course the expense of a work of that sort must be proportionably so?—It is.

5039. Have any advances been made from the public treasury to assist in the construction of such works?—The works are usually made at the public expense, entirely with money advanced from the public treasury.

5040. Do you think a private capital might be so employed with advantage?—I think it might be, with very great advantage.

5041. Have any bridges been made by the government in Coimbatore?—
A few

A few small bridges have been constructed by government. There have been two most magnificent bridges constructed by a native within the Coimbatore province; they are bridges across the river Cavary; one was finished ten years ago, the other will be finished in the course of the present year. 27 Sept. 1831.
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5042. What was the object in constructing it?—His object was very disinterested, merely that his name might descend to posterity as a great public benefactor; all the remuneration he has got is a grant of the revenue arising from a single village, which I think amounts to about 5,000 rupees a year, which has been given to him for the purpose of maintaining the bridge in repair.

5043. Have you any idea what has been the sum laid out by him?—I have not seen any account of the expense, but a bridge, smaller in dimensions, across the Cavary, at Seringapatam, cost 80,000 pagodas, about £30,000.

5044. What is the name of the individual?—He is a native gentleman of Mysore, named Ram Sammy Moodeliar. These bridges originated in a proposition made by Ram Sammy Moodeliar, to render the passage to an island situated in the midst of the river Cavary, which is regarded as a place of sanctity, both by the Hindoos and Mussulmans, and which is also much frequented by Europeans who go to visit the falls on that river, secure for foot passengers in all seasons. He proposed to the government to make a small wooden bridge across, if they would make him a free gift of the island itself, which was covered with jungle, and a place of no value. They complied with this offer, but instead of building a small wooden bridge, he built a magnificent stone bridge a thousand feet long, with a roadway of thirteen feet. Upon its completion I inspected the work, and I told the government that as he had shewn himself capable of constructing works of that kind, the government should lend him a sum of money, in order to enable him to build another bridge, and thereby complete the communication across the river, and that he should have permission to levy tolls upon the bridge for a certain number of years, and that upon its completion, the government should assign the revenue of a village for the support of both bridges. The government, however, did not come into the proposition; but in 1829, the individual began, at his own risk, the second bridge, the size of which is 1,550 feet long and fourteen broad. Both the bridges are built upon stone pillars let into the rock which forms the bed of the river, and the pillars are connected by cross-beams across the pillars, entirely of stone; they have no pretension to architectural beauty, but are composed of the most substantial materials.

5045. Is that individual a person of very great wealth?—He was supposed to possess considerable property, but he must have sunk a great part of it in those works.

5046. How did he become possessed of this large fund?—By trade, by commercial speculations.

5047. Of what description?—I cannot speak from my own knowledge, but

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but I believe his principal trade was in jewels and shawls, and articles of European manufacture.

5048. Is the country much benefited by those bridges?—It is very much benefited. The only communication across the Cavary before was by basket boats, which was often very dangerous; the consequence was, that the trade was often arrested upon the banks several days. It is not only useful for trade but for military purposes.

5049. Do you conceive that this public spirited individual has received sufficient encouragement and remuneration from the government?—All that he has received is what I have stated, which is about 5,000 rupees a year for maintaining the bridge in repair, for which purpose it is hardly sufficient.

5050. Can you point out any one way in which private capital may be profitably employed in Coimbatore, or the Southern Peninsula?—Considerable sums are sunk now in Coimbatore, in searching for wells for irrigation; I should think that boring apparatus might be introduced there with very great advantage. The natives, after excavating to a considerable depth for water, come perhaps to an impenetrable rock, and of course a great deal of capital is lost in that way. I should think, therefore, that some capital might be very profitably employed in boring machines, and in some simple machinery for drawing up water.

5051. You stated that you had formerly been attached to the residency of Mysore, will you state what is your opinion of the situation of the natives in that country, compared with those in the Company's territories?—I should say that the situation of the natives of a superior class is, upon the whole, much better in Mysore than in the Company's territories, because there the whole civil and military administration rests with them, instead of being vested in Europeans. Instead of having a master in every European, they have only one master, who is their prince; but the lower orders of natives are not by any means so well off under the native government of Mysore at present, because it is a most oppressive government. The higher class of natives are not absolutely better paid under the native government, but they have various perquisites, and they get gratuities and remunerations from their prince in various ways, which they do not receive under the British government; they are liable, of course, to be stripped of their offices at the bidding of the prince.

5052. Are the native servants in the Company's employ liable to be dismissed at the will of their European superiors?—In the revenue department they are liable to be removed from their office; and I think so long as we refuse to accord to them a fair share of the government, and to ingratiate them, it is a sort of power that cannot be dispensed with, because the higher classes of natives now have no interest in a pure and upright administration.

5053. What would, in your opinion, be the result, in a financial point of view, of the substitution to a considerable extent of native for European agency?

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agency?—The immediate effect would be a large reduction in the government expenditure; and as the government became more economical, they would be able to relieve the people from a portion of the present taxation, this relief again would lead to an accumulation of capital, and that capital would be employed in the creation of fresh revenue.

5054. What is your opinion of the general treatment of the natives, particularly those of rank and station, by the Company's servants, civil and military?—I do not think it is by any means so courteous as it ought to be, they are often treated with great harshness. I have had frequent complaints, during the time I have been in office, of the uncourteous treatment of natives by Europeans.

5055. Is there anything like friendly confidential intercourse between them?—None whatever. Of course there are exceptions, but generally speaking there is no familiar intercourse between European public functionaries and native public functionaries.

5056. Are not the natives liable to be imprisoned in a summary way, without perhaps even any charge being brought against them?—Certainly not by law. Instances of such imprisonment do occur, but they are not warranted by any law or regulation.

5057. Have they any means of redress?—The only means of redress is by prosecutions in court, which are next to no redress at all; but all this is against regulation.

5058. Upon what occasions do those arrests and imprisonments generally take place?—Usually, I imagine, under charges preferred against them.

5059. In what way are they brought to trial?—By a process laid down in the regulations.

5060. In the cases you allude to, are those persons brought to trial?—In speaking of imprisonment, I had in view regulations in the revenue department, by which collectors are vested with a summary jurisdiction for the security of the revenue, and the protection of the inhabitants from the exactions of revenue officers. Under charges of that kind the native servants are liable to be imprisoned for a time before the trial comes on. When I say imprisoned, I do not mean that they are put in gaol, but that they are frequently placed under restraint, and in the custody of peons.

5061. In those cases are they subsequently brought to trial, or are they sometimes discharged without further process?—They are usually brought to trial. It but seldom occurs that they are discharged without some kind of trial. Since I left Coimbatore, a man who was my chief native agent in that province for fourteen years, was imprisoned, that is, made a close prisoner in his own house, and kept under the custody of peons for many months, before he was made acquainted with the charges preferred against him, by people instigated to come forward against him, and who wished to get his place.

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5062. Under what authority?—Under the authority of my successor, Mr. Thomas. Other instances of the same sort have occurred in the provinces of Tinnevelly and Tanjore, where the head native agents of former collectors were imprisoned in the same way by their successors.

5063. Upon whom depends the bringing that person to trial?—The collector.

5064. In the specific case of your successor, is the collector bound to report, and does he report to the government his having so put that individual into confinement?—He is bound to report it. He is empowered to try summarily all offences against the revenue, and all instances of bribery or extortion committed by any person under him, but he is prohibited from carrying his judgment into effect till it has been approved by the Board of Revenue. If the person whom he has tried considers himself aggrieved by any order or proceeding of the collector under this regulation, he is entitled to appeal against it to the Governor in Council and the Board of Revenue; and the Governor in Council is authorized to take one of three courses, either to grant the relief prayed for, or to constitute a special commission for the trial of the appeal, or to indorse the petition that the man is to seek his redress from the ordinary judicial tribunals, and those tribunals are expressly prohibited from entertaining any suit against the collector, for any proceeding arising out of this regulation, except the man shall produce this indorsement from the Governor in Council; so that if the Governor in Council shall refuse to give the indorsement, which has been the case in this instance, and if he should refuse to constitute a commission, and should refuse to give relief, the man is without remedy, because no court of judicature can entertain any suit arising out of that regulation unless accompanied by that form.

5065. What is the regulation to which you refer?—It is Regulation No. 9, of 1822.

5066. Is there anything in the Madras territories at all resembling our Habeas Corpus?—Nothing having the most remote resemblance to it.

5067. You have said that the redress is by appeal to the court, is not that process attended with great difficulty and delay?—Great difficulty, and a great expense; this is stated in the broadest possible terms by Lord Hastings in one of his minutes, who calls a suit in court by a poor man a mere mockery.

5068. Do you conceive that under the existing institutions it would be possible to introduce some security partaking of the nature of our Habeas Corpus?—It would require much consideration, but something of the kind might, I imagine, be devised. The present practice, under the regulation before quoted, of imprisonment before trial, is no doubt most reprehensible, and I should say that Habeas Corpus at once would be much better. It is a common practice amongst the native servants that the moment an European agent quits his situation, the inferior native servants conspire against the superior native officers. That practice was followed in the cases of

Tinnevelly

Tinnevelly and in Tanjore ; and Coimbatore is the third instance in which the moment the European collector left the province, the head native agent of the province has been tried and imprisoned, and in two out of the three instances the men so tried and imprisoned have at length been exculpated. 27 Sept. 1831.
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5069. Has the collector, as a magistrate, the power of imprisonment and also of inflicting corporal punishment?—Under process of law, but it is his fiscal jurisdiction that I am now speaking of. It is not to his power as a magistrate, but to the abuse of his power as collector of the revenue, in certain instances, that I have been speaking of.

5070. Does he not, as a magistrate, inflict summary punishment?—Not without previous inquiry ; he observes the same forms as a magistrate does in this country.

5071. Is not there a regulation of the date of 1806 which gives that power to a single magistrate to imprison and to inflict punishment?—I think the original regulation is in 1802 ; that was when the magisterial powers were united with those of the civil judge ; another regulation of 1816, which united the office of magistrate and collector, gave the magistrate similar powers.

5072. Do you not consider that the dams and canals, and other works which have been mentioned by you as having been executed under the native government, as so many proofs that the people enjoyed under the native governments a great degree of prosperity, and that upon the whole those governments worked well for the people?—I think that whether the native government was good or bad, depended entirely upon the character of the individual ; all the institutions under the native governments were excellent, if well used, but as those governments were pure despotisms, tyranny was, as might have been expected, the rule, good government the exception. I should say, however, that when the incessant wars and convulsions which have taken place in India are considered, those magnificent works are certainly proofs of the existence of a paternal government, and that upon the whole it worked much better for the people than we are inclined to suppose.

5073. When you speak of institutions what do you mean?—I speak of the municipal institutions. From the most ancient time the municipal institutions have always been complete ; there has always been a local magistracy and a local proprietor, and there were all the elements of good government ; but when a tyrant became the sovereign he disregarded those institutions.

5074. What is the present state of Coimbatore as compared with what it was when it was ceded to the British government?—It is in a much higher state of cultivation than when it was ceded to the British government, or for many years before, but there are evident traces of a still more extended cultivation in more ancient times.

5075. Has

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5075. Has the cultivation of coffee been introduced above the ghauts of late years?—To a very considerable extent, and it is found to answer exceedingly well.

5076. Do you not conceive that in India there is an amazing elastic power on the part of the people and the country, which renders the land susceptible of great improvement where the land-tax is moderate, and the other institutions are favourable to the advancement of prosperity?—I should say that there is no country possessing a more elastic power, which is manifest from this circumstance, that under the most oppressive governments cultivation and population increased, the country always yielded a large revenue. It is manifest also from the circumstance I have mentioned, that the specie, which is drained annually in large masses for expenditure at the presidency, is so quickly returned to those provinces through the channels of commerce.

5077. Do you not conceive that in all parts of India with which you are acquainted there is a power of increasing the wealth of the country to a very large extent?—To a very large extent; where the fiscal system has been good, prosperity has always been the result.

5078. You have stated that from Coimbatore there is considerable export of the precious metals, and a reimport again; are the Committee to understand that mercantile bills do not exist there?—I do not mean to say that the reimportations are in specie; money is paid into the treasury at Madras by private merchants for bills upon the collector at Coimbatore; that practice has been introduced within the last eight or nine years.

5079. Is there, at the present moment, a transmission of specie annually?—There is; principally from Mysore.

5080. You were understood to say, that supposing the natives to be more generally employed in the different departments of government, the expenditure of government might be considerably diminished; do you conceive that the present government of India is an expensive government?—A most enormously expensive one, in the civil administration of the country.

5081. In what branches do you think a saving could be effected?—In every civil department, revenue and judicial.

5082. Do you mean by the employment of natives?—By the employment of natives, and by simplifying the machinery of government.

5083. What is the state of the roads in Coimbatore?—In Coimbatore it is remarkably good; the bottom is generally very good; they have all been marked out, and planted with trees in avenues.

5084. Are there not very few parts of India where there are good roads?—Very few; there have been great efforts made to build bridges and make roads, but very little attention has been paid to keeping them up; the road, and a succession of bridges, have frequently been all washed away in one monsoon.

5085. Have

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5085. Have you formed any opinion as to the effects, either upon the revenue or upon the prosperity of the natives, of the substitution of a duty for the present monopolies of salt and tobacco?—I have frequently expressed very decided opinions with regard to the tobacco, that a transit and an excise-duty is by far the best; but I do not think that the excise duty could, consistently with the fixed assessment upon the land, be levied; and therefore I thought they should look for their revenue entirely from the transit duty. If, however, you could show the ryots that it was for their advantage to levy an excise duty, they would be very willing, I suppose, to consent to an increase of that kind, provided they were relieved from the monopoly.

5086. In what way is the monopoly now practically established?—I stated, in my former evidence, that there is a particular species of tobacco which is grown in Coimbatour, exclusively for the consumption of Malabar, the name of that is “Woddemagum;” the whole of that produce is monopolized for the consumption of the sister province of Malabar. It is taken by the collector in Coimbatour, at a price fixed by the government, in communication with the growers, and it is sent into Malabar, where it is warehoused. From the warehouses it is sent to the different revenue officers in the district, who sell it at a monopoly price, and they very often force the sale of it.

5087. Do you consider that a fair market price is paid for it to the ryots?—A fair market price is now paid for it. I made frequent communications to the government respecting it, but the evil of the monopoly is still felt in two ways; it is felt by the consumers, who now pay two hundred and five rupees for what formerly sold for sixty rupees, and it is felt by the producers, inasmuch as the consumption of tobacco being now forty per cent. less, the produce is less, and that is a check upon the cultivation of the most valuable staple of the land.

5088. How many European civil functionaries are there in Coimbatour?—Latterly there were five.

5089. When you say that you think the expenses of the government might be reduced, by simplifying the machinery, and calling more natives into employ, do you contemplate any reduction of the number of Europeans?—A very considerable reduction.

5090. Out of the five in Coimbatour, how many do you think might be dispensed with?—Four.

5091. Do you think that one European superintendent, with natives under him, could manage the revenue and civil concerns?—I think that he could. When I speak of the machinery of the government, I allude to the presidency. The present mode of carrying on the government is by a system of boards, which are as complicated as anything can be. There is the Revenue Board, the Military Board, and the Board of Trade, so that the government, in fact, have
no

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no direct communication with their executive officers, every thing passes through these boards, and that leads to an enormous multiplication of records, and of course to great delays and expense.

5092. Would you propose that the one superintendent in the district should exercise the functions of superior judge of the district, and also of magistrate and collector of revenue?—My own idea is, that the European should be confined to superintendence and control. I should conceive that both the revenue, and civil and magisterial functions might be managed by the natives, with a strict European control. The greatest abuses of authority always arise out of the fiscal jurisdiction, not out of the ordinary magisterial or judicial functions.

5093. Do you conceive that the natives that would be called into action would be the persons who now act under the European officers, or that a new class of persons would be brought into operation?—Undoubtedly, those who have been regularly brought up; none but those duly qualified by previous education in the inferior offices of the civil administration should be permitted to occupy the higher grades.

5094. Are they not now found to be generally very corrupt?—If they are found to be so, it is in consequence, I conceive, entirely of our treatment of them; they have no interest in working for us, and therefore, they invariably work against us when they can.

5095. And you conceive, that if they had better salaries, and better prospects, their corruption would be materially diminished?—I think that they would be nearly, I will not say altogether, as honest as Europeans, if we held out the same motives to them.

5096. Would not a larger extension of confidence to them produce a better state of feeling among them?—Unquestionably that would be the result.

5097. Do you conceive that the experiment of the employment of native agency might be tried with advantage in a particular district?—I am satisfied it might be, with great advantage; that is to say, if the experiment was made by a person favourable to its introduction, but not otherwise.

5098. Do you apprehend, that under the Madras presidency there are many persons of sufficient rank who concur with you in opinion?—I should suppose there are a considerable number; it is a growing opinion; I think it is an opinion amongst all those persons who are most conversant with the natives. Those in the trammels of a judicial office have but little to say to the natives; this is not a matter of choice, but of necessity; the collector, on the contrary, has constant intercourse with all classes of the people; he has a deep personal interest in the prosperity of the country, and his object is to consult the wishes and inclinations of the people on all subjects. On the other hand, people who pass their time at Madras,
 know

know very little of the natives, but amongst that class who have free intercourse with the natives, a considerable number, I imagine, concur in opinion with me.

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5099. Would not the power of an European superintendent be very great and dangerous in bad hands?—I think that there should be a superintendence over him again. There should, in my view, be a superintendent in each district, and a commissioner who should have superintendence over two or three districts, and there should be an appeal from him to the government. It is a strange circumstance, that the government itself has now no means of redressing any error committed by judicial tribunals. In India it passes from the judges of the courts to the King in council.

5100. Would you have the Governor in council over all the judgments of the judicial tribunal?—I would have him the final court of appeal, as the House of Lords is in this country, where the King is supposed to be present, as he is in all appeals made to the King in council.

5101. Supposing India to be divided into districts under a superintendent, and three or four of them under a commissioner, what training would the functionaries have who were to be appointed to the office of superintendent?—I should think each commissioner ought to have a certain number of European assistants with him; I should state however, at the same time, my perfect conviction that any European, either as a commissioner or a superintendent, even in that situation must have native associates for training the young functionaries; I should think he should have a number of young European assistants, and power to delegate a portion of his authority to them, or to send them upon missions and inquiries which would bring them into contact with the natives.

5102. Has the consumption of European articles generally, and British manufactures in particular, in Coimbatore and other parts of the Peninsula, increased of late years?—It has considerably increased of late years.

5103. What are the articles chiefly consumed?—Printed calicoes and broad cloth, and a little iron and cutlery.

5104. Have the English cotton goods superseded the manufactures of the country generally?—I believe they have, to a considerable extent.

5105. Do the natives appear to like them equally well, or is it their greater cheapness that recommends them?—I understand that they are considered to be cheaper, but not so lasting as the native goods; they are very fond of European colours and patterns.

5106. Are not the white cottons very much used, and have they not superseded the manufacture of the Western Provinces?—I believe they have of the finer kinds, to a great extent; there is no manufacture in Malabar.

5107. Which comes within the range of the great mass of consumers, the English article or the Indian?—The great mass of the people use the Indian, because that is a coarse article, and very cheap.

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5108. Are the manufactures liable to any transit duty?—All kinds of manufacture are liable to a transit duty of five per cent., and in Malabar there is a tariff valuation which subjects them to an additional five per cent.

5109. Is Malabar supplied through the circuitous route of Madras?—Sometimes it is.

5110. How much per cent. do British manufactures pay altogether upon going to Malabar?—They pay two and a half per cent. upon importation at Madras, they pay five per cent. at Coimbatore, and they pay five per cent. upon the difference of the tariff in transit to Malabar.

5111. Are there any hoondies to be obtained in Coimbatore?—Any quantity, and for a large amount; the traffic in bills is very considerable; all the great houses in Bombay have agents in Coimbatore, and you can get bills upon any part of India; those shroffs have established themselves within the last ten or twelve years.

5112. Does not that lessen the demand for specie?—It has done so very considerably; there are great financial dealings between the Bombay and the Madras government, the Bombay issuing bills upon the Madras government, which are purchased by the sorecars there, and sent to Madras for payment; the proceeds of these bills again are paid into the general treasury at Madras for bills upon the provincial treasury, and the produce of these again is circulated in the district for the purposes of commerce.

5113. Are not the transit duties upon British goods contrary to law?—All duties that were in existence when the Act for the last charter passed are legal, but the government cannot levy any fresh transit duties.

5114. What is the rate of interest at which individuals can borrow in Coimbatore?—The interest of money now is from eight to twelve per cent. it was as high as sixteen or eighteen and twenty per cent.

5115. Does any part of the produce of Coimbatore find its way to the British market except cottons?—I am not aware that there is any, but the cotton produce can be extended to any amount.

5116. Is there any indigo cultivated there?—A very small quantity; it is not found to answer.

5117. Can you state what is the proportion of the proprietors of the soil to the number of occupants?—I do not exactly understand the distinction; the proprietors are the hereditary occupants, and the cultivators of their own lands, in a majority of instances.

5118. Would it not, in your opinion, be very desirable that any native should have a direct appeal to the Governor in Council, in the event of being imprisoned?—Certainly, upon all occasions; he always enjoyed that privilege under the native governments.

5119. Which would, in fact, amount to a habeas, would it not?—Not absolutely;

absolutely ; because that would not be imperative upon the government to order the release of such a person, as a judge is obliged to grant a habeas corpus.

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5120. Is there at present any such appeal?—There is no such appeal, except through the regular judicial process. I am speaking of the imprisonment of native officers by collectors, under summary process. Every native may present a petition to the government, but the government can only deal with such petitions through the medium of the regulations.

5121. And may not that be retarded by the party who has himself confined the party?—Not without the violation of the law.

5122. Is not the first operation, after putting a native under restraint, the seizure of all his books and papers?—A regular process is laid down in the regulation I have quoted, by which the collectors are to proceed against their native servants, or against others amenable to his jurisdiction. One of those provisions is, that to prevent fraudulent abstraction of property, he may put sale upon it, and if there are well-grounded suspicions that the man intends to escape the process of the court, he may put peons upon him, but he does that under a very serious responsibility, and it must be done upon regular affidavit.

5123. Is it generally the practice to do that only upon affidavit?—I am afraid it is not generally the practice. In the instance I have mentioned at Tinnevely, it is upon record that the papers of the man were seized, and his person confined, before process was commenced ; that took place also in the case of the native functionary at Tanjore, and it was the case with respect to the head native agent of Coimbatore.

5124. Was any reparation made to the two parties who were declared innocent?—One of the two parties was confined previous to trial, and his property placed under attachment ; the other was kept in confinement, after he had satisfied the judgment ; and in the latter case, that of Tanjore, the commission of appeal awarded compensation to the amount of five hundred rupees, about £50, expressing an opinion at the same time, that no compensation that he could award could remunerate the men for the sufferings they have undergone from that process of the collector.

5125. Do you know whether the system you established in Coimbatore, with respect to the land revenue, and the other points detailed in your evidence, still continues, or whether any alteration has been made?—I have heard from persons on the spot, that a great number of most serious alterations have been made in it by the collector, of his own authority, and for which of course he is responsible to his superiors.

5126. Have those been alterations seriously affecting the prosperity of the province, and the rights of the inhabitants?—Most seriously, if they have been correctly represented to me.

5127. Have not imprisonments, such as those you have mentioned, the effect

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effect of degrading the parties in the eyes of the natives?—Beyond all expression ; no man of sensibility and right feeling can ever recover it.

5128. Was it by your successor that the native servant employed by you was placed under surveillance?—It was ten days after I quitted the province.

5129. Has he made any appeal to the government?—He has, and I have made an appeal for him to the Court of Directors.

5130. Has any notice been taken of the appeal?—The government took no notice of it whatever ; instead of ordering the process prescribed by the new regulations, they indorsed the petition to be frivolous and vexatious, by which the man was left without any remedy.

5131. Will the man always remain under surveillance?—I cannot possibly tell how long he will remain under restraint ; his property was sequestered, and security was demanded of him to the amount of £20,000, all before the trial commenced.

5132. Is he a man in whom you had confidence?—The greatest possible confidence.

5133. In what way will his property that is now under sequestration be restored to this man?—Unless he is convicted of the crime laid to his charge, it ought to be restored to him with interest.

5134. Do you expect that will be the case?—From what passed upon the former occasion, with respect to the man that got £50 damages, I suppose not.

5135. According to the regulations now in existence, will the individual, who is under surveillance, be brought to trial?—The provisions and regulations have been entirely dispensed with in his instance, and therefore it is impossible for me to say when he will be released from his present restraint.

5136. Do you know upon what ground those regulations have been dispensed with?—It is no where stated.

5137. When you say that the regulations have been dispensed with, do you mean that they have been dispensed with by a formal act of the government, or only that they have been disobeyed?—I have stated that the process laid down for the government to follow upon the occasion of a native functionary appealing against the orders of a collector, is either to grant the relief prayed, or to constitute a commission of appeal to try the petition, or to indorse the party complaining specially to seek redress in the ordinary tribunals, those tribunals being restricted from entertaining any suit except upon the production of such an indorsement. This person so aggrieved made his appeal in the manner prescribed by the regulation, and instead of following any one of those three courses, his petition was indorsed frivolous and vexatious.

5138. Has any trial taken place?—He has been tried under the summary process laid down in the regulation above quoted, and he has appealed from that process in the way pointed out by the regulation.

5139. What

5139. What was the result of the trial under the summary process?—It was his conviction by this gentleman of embezzling the revenues of about 10,000 rupees; it was an *ex parte* conviction. 27 Sept. 1831.
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5140. The judge being the collector?—Yes.

5141. Do you conceive that the government can dispense with any judicial regulation at its own pleasure?—I believe that there is no similar instance upon record. The regulations are in general scrupulously observed by the government, often to its own detriment.

5142. Can the government at its pleasure remove a judge if his decree should be displeasing on that account?—No; I believe such a power has never been exercised; two gentlemen were indeed removed from the sudder adawlut, Mr. Greenway and Mr. Scott; I believe because their proceeding in a case before them were not approved of here.

5143. May not the government remove without assigning any reason?—Such a power has been lately exercised, but it is in direct contradiction to the orders of the authorities in this country, by which the local governments are expressly prohibited from removing any civil servant from his office without a proper investigation.

5144. In this case, what was the award against your native servant?—He was sentenced to repay the amount which he was said to have embezzled, with a fine of equal amount. I should state that this man, when he heard that people had trumped up charges against him, implored that those charges might be produced. I made the most earnest solicitations on his behalf, telling the government, that if the province of Coimbatore had attained a considerable share of prosperity, it was owing mainly to his talents and exertions, and that if any charges were to be brought against him, they might be brought forward at once. No notice was taken of these applications, which were made in the early part of 1829; but five days after I quitted the situation in January 1830, the charges were produced, the man was arrested and his property was sequestered, he was kept in his own house under a guard of peons, all communication cut off from him, and his papers seized, and security demanded to the amount of £20,000 before he had been made acquainted with the charge against him.

5145. What is the name of the individual?—His name is Ramia, formerly head sheristadar of Coimbatore.

5146. Were there evidences confronted with that individual in the court?—Not a single evidence, as I learn from persons who were present at the trial.

5147. Was he present at the time the investigation took place?—He was not present; his petitions are now, I believe, before the Directors.

5148. Did this happen before you left India?—Five days after I left the province; and I believe on the very day that I sailed the first process against

27 Sept. 1831. against this man was issued ; all the circumstances which happened when I was in the country are stated in the memorial that I presented on the subject to the Court of Directors.

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Jovis, 29^o die Septembris, 1831.

WILLIAM CHAPLIN, Esq. called in, and examined.

29 Sept. 1831. 5149. WILL you state in what situations you were employed in India ?—I went to India in the year 1800, and was soon afterwards sent to the College of Bengal, where I remained above two years, and returned to Madras in 1803. I was employed a few months in that year in the Northern Circars, partly in the revenue and partly in the judicial line. In 1804 I was appointed registrar under Sir Thomas (then Colonel) Munro in the Ceded Districts ; in that situation I remained a twelvemonth, when I was promoted to the office of subordinate collector, under Colonel Munro, in charge of a separate division, consisting of four districts of the Ceded Provinces ; in that office I remained till August 1807, when Sir Thomss Munro returned to England, and I was appointed to a division of the Ceded Districts, which were formed into two collectorates, Bellary and Cuddapah, to the latter of which I was nominated ; there I remained about a year, when I was transferred to the other division of the Ceded District, Bellary, in which charge I continued from 1809 till 1818, when I was appointed to succeed Sir Thomas Munro in the Southern Mahratta country, of which he had the temporary management as Commissioner ; I filled this situation for a year and a half, when I was called to succeed Mr Elphinstone as sole Commissioner of the Deccan, on his appointment to the government of Bombay ; in that office I remained about six years, and then returned to England.

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5150. What was the system of revenue management in the Ceded Districts when you were first employed ?—The ryotwar system.

5151. Was it founded on the survey made by Sir Thomas Munro ?—The survey was begun in 1802, and was scarcely finished till 1806-7. The survey assessment was therefore only acted upon partially, in some few districts, before Sir Thomas Munro's departure. Before the survey had been completed, it was the ryotwar system, conducted according to the usual plan of investigating the accounts of the villages, and settling the rent with the inhabitants according to the customary village rates, and with reference to the average of former years' collections. The survey not having been completed till nearly the period of Sir Thomas Munro's departure, it had therefore not been acted upon generally.

5152. What

5152. What do the Ceded Districts to which you allude comprehend?— 29 Sept. 1831.
The two divisions of Cuddapah and Bellary.

5153. Do you mean that district above the Ghauts, commonly called the Table Land, situated between the Eastern and Western Ghauts?—It forms a portion of the Table Land connected with the Mysore. *W. Chaplin, Esq*

5154. Was the system of ryotwar management continued by the Madras government subsequent to the departure of Sir Thomas Munro for England?—The system of ryotwar management was continued in the Cuddapah district during the remainder of the Fuslee year, ending July 1808; that is, it continued about nine months in the Bellary division, of which the late Mr. Frederick Gahagan was collector; it continued another year, that is, till July 1809. In the Cuddapah division the ryotwar system in 1808-9 was succeeded by a system of village leases for three years.

5155. Was it settled for three years at once in 1809?—It was; it was considered to have been successfully introduced by myself, and I was in consequence selected in the following year to introduce the same system into Bellary, on Mr. Gahagan's appointment at Madras as Secretary to the Government.

5156. Will you explain the principles upon which the ryotwar system and the village lease system are respectively founded?—The principles of the ryotwar settlement are to fix the money rent of each individual cultivator for the fields in his occupation with as much permanency as possible, the aggregate of such rents making the village assessment, which varies each year with the increase or decrease of cultivation, arising from lands either newly occupied or thrown up. Another main principle of the ryotwar system is to protect the rights of all ryots, as they now exist in every village, from infringement, and to prevent all encroachment upon those rights. The principle of the village lease system is that of farming out the village for a term of years to a renter, leaving him to make his arrangements with the individual cultivators, the amount of the lease so fixed being considered to be payable under all circumstances, extraordinary calamities excepted.

5157. Will you state shortly the manner in which each field is valued, in order to ascertain the amount to be levied?—It would require a very long explanation. It is all to be found in the survey instructions which are printed in the Selections. A certain number of native surveyors were appointed to conduct it; over them came examiners of survey, to correct any defects that there might be in their survey; after them came assessors, and then still further gradation officers, called head assessors, by whom the whole survey, classification; and assessment underwent a fresh investigation; it afterwards came under the revision of the collector's native cutcherry establishment; then it underwent a further revision by the collector himself. With regard to the mode in which the assessment was formed, I should say that the quality of the land (all other circumstances being equal) determined its classification; but consideration was always had to its actual state of cultivation,

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vation, its distance from the village and from markets, its former rent, the facility of manuring and of watering it, and every other incident by which the expense of cultivation was either increased or diminished.

5158. Was that valuation made annually?—No, when it was once concluded it was a permanent field assessment, not to be deviated from.

5159. What proportion of the value so ascertained was fixed as rent for the government?—The general theory was, that about forty-five per cent. was taken as the government share, and fifty-five per cent. left to the ryot.

5160. In practice did you carry that into effect?—In practice the collections of former years, added to the quality of the land, and the various other circumstances I have enumerated, formed the ground-work on which the assessment was made.

5161. Then are the Committee to understand that the theory of the ryotwar settlement, as well as the practical execution of it, is to take forty-five per cent. of the gross produce for the sircar, and the rest for the cultivator?—That was the estimate of the Ceded Districts made by Sir Thomas Munro.

5162. Were reductions on the field assessment in the Ceded Districts, in your opinion, necessary to give stability to the system?—The reductions which Sir Thomas Munro proposed, in his letter of the 15th of August 1807, of one-third of the survey assessment of wet lands, and one-fourth of the dry lands were, I think, indispensable to the stability of the survey assessment. That letter of Sir Thomas Munro's appears in the Appendix to the fifth Report. The survey was an assessment, the aggregate of which, for the whole district, was never realized, though a considerable proportion of the ryots in good seasons paid it without any difficulty; but to the poorer classes abatements were always necessary, and were made for poverty and failure. It was avowedly too high to be taken as a standard for any other than the ryotwar system under annual settlements, which left the collector the discretion of reducing the rents whenever they pressed too heavily.*

5163. What do you mean by the ryotwar system of annual settlements?—I mean a settlement made by the collector annually with the cultivators, in contradistinction to triennial or decennial leases to heads of villages.

5164. What do you take to have been the object of the government in the introduction of the village lease system?—The government at that time considered that the ryotwar system, as it previously existed, would not have

* Total gross produce	100
Government rent by the survey.....	45
Deduct 25 per cent.	11 $\frac{1}{4}$
Government share proposed	33 $\frac{3}{4}$

have been compatible with the forms and rules of judicial courts, which were about that period established, and they were of opinion that the same amount of revenue might be realized under the village system as had been realized under the ryotwar system, without the objections adverted to.

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5165. Were you ever employed as a collector under the annual ryotwar settlement?—I have already stated that I was appointed subordinate collector under Sir Thomas Munro, at the period when the annual settlements were prevailing.

5166. What was the principle on which the annual settlement was made, as compared with that of the permanent ryotwar system?—The settlements were made on the best information that was procurable from the accounts of the villages as to the actual state of cultivation, and the condition of the ryots and their former payments; a discretion being left with the collector to abate or increase as he thought proper, keeping in view the former realizations from the land: whatever the land had formerly paid, as far as could be ascertained from the village accounts and other sources of information, formed the basis of the settlement annually.

5167. Do you mean that such former realizations were considered as the maximum?—The accounts of the villages were at that time in so imperfect a state, that it was impossible always to ascertain accurately what the lands had paid; but whenever there was a dispute upon the subject, the ryots were assembled in a punchayet, and determined what should be the amount that the lands ought to pay.

5168. Were the former payments, then, the maximum, but not the minimum?—It was never the intention to exceed them designedly: they were often exceeded from imperfect information, but it was never the intention to exceed them.

5169. You stated that the assessment was never deviated from; do you mean that there were not remissions?—No; I mean that the customary rates were not knowingly exceeded.

5170. When you say annual assessment, do you mean an annual adjustment with each ryot; or that a fresh assessment was annually made of the amount which each ryot should pay?—Anterior to the survey, there was a constant variation in the settlement, in proportion as the ryot took more or less land.

5171. In making the first assessment for the Company, did you ascertain the payments that had been made under the native princes for any number of years previous, and on that endeavour to make your annual settlement?—Previous to the survey, the former payments during a long course of years, as far as they could be ascertained, formed the groundwork.

5172. Under the annual system, is it the principle to obtain as much rent as it shall appear to the collector that the ryots are able to pay?—Not so

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much as he is able to pay, but so much as he is able to pay with reference to the former realization of the land. If it was ascertained that the land yielded a certain sum in former years, that sum was not exceeded, unless the cultivator took fresh land.

5173. Whenever new land was introduced to cultivation, or the cultivation of the land improved, so that the produce was increased, was not reference made to that in the amount of rent to be demanded from him?—I have no doubt that in some cases the rent was increased in proportion, previously to the conclusion of the survey.

5174. In that case could a cultivator, in applying his capital to improve the land, depend on holding the land at the rent fixed this year, for any number of years subsequent?—If a cultivator took a piece of waste land that had not been for some time previously cultivated, he would obtain a cowle, entitling him to hold the land for three, or four, or five, or six, or seven years, at a quit-rent, till he brought it into full and complete cultivation; it would then be subject to the full rate of assessment.

5175. You are aware that the land may be made to produce heavier crops by the application of improved methods of cultivation; and when such improved cultivation took place, did not the collector consider himself entitled to a share of the gross produce?—It was certainly not the principle of the ryotwar system, as administered by Sir Thomas Munro, to tax improvements in that way; but that it was occasionally done I have no doubt. In administering the affairs of a large province, it is impossible to avoid error sometimes.

5176. What success attended the system of village management in the Bellary division of the Ceded Districts under your management?—In the Bellary division of the Ceded Districts, the system of village leases had been introduced, which I conceive to have failed entirely. The first lease was a triennial lease, and on the expiration of that a decennial lease was concluded, and I think both were failures.

5177. To what do you attribute the failure of the triennial and decennial leases?—To a great variety of causes. The system of village leases I consider was totally unsuitable to the condition of people in the Ceded Districts. It may succeed very well in districts where the system of joint tenure or cultivation in shares has always prevailed, provided the rent be made extremely low, to enable the renter to indemnify himself for the losses of bad seasons by the profits of good. It failed in the Ceded Districts, because there was no such joint responsibility on the part of the ryots, and because it attempted to exact, indiscriminately, nearly the same revenue in all years, good and bad, as had been realized under an assessment calculated for annual settlements, in which discretionary remissions had always been made by the collector. The exaction by the leaseholders of the maximum rents, added to extra assessments, produced a great deterioration of the resources of the country

country. The renter, to enable the ryots to thrive, must have made all the allowances that the ryotwar collector had previously made in bad seasons, but the renters had no capital to enable them to make those abatements, nor prudence nor management to lay by the surplus of one year to supply the deficiencies of another. The cultivation of the Ceded Districts was exceedingly unequal. The country is thinly inhabited, and there is a vast extent of government as well as enâm land. This furnished to the renters of some villages the means of holding out the allurements of cheap land to the tenants of their neighbours, kept up a restless spirit of emigration, and retarded improvement, by attracting the population from the fertile to the inferior soils, and thereby diminishing the capital stock of the country. Partial improvements, where they took place from this cause, were made at the expense of the prosperity of other villages, and the gain all went to the renters of villages thus favourably situated, whilst almost all the loss fell upon the government. Under this system, the survey rates which had been established by Sir Thomas Munro were in general abandoned, and many flourishing villages fell to decay. The moral effects were also extremely bad; many of the more substantial renters were placed in confinement, and lost all respect for the government. The revenue servants who had been previously trained under the ryotwar system were also spoiled, from having little to do, and being no longer employed in the details of the revenue in which they had formerly been engaged. All these evils were aggravated by private feuds and dissensions of the renters themselves, involving them in expensive lawsuits in the courts, occasioning the villages to be split into parties, and impeding the cultivation. The lease system in Bellary was in consequence discontinued in a great part of the country long before the expiration of the decennial lease, and the ryotwar system was reverted to when those leases ceased, under great disadvantages. Great confusion had been introduced by the renting system. The country had been divided into so many little estates, each independent, and each holder endeavouring to profit, by enticing over the ryots of his neighbours. The rent was no longer regulated on any fixed principle, but was settled by competition, which probably would be a very good guide in England, but is a very bad guide in India. This competition proved extremely injurious, for it sacrificed all rights of property, by giving cultivated lands to the highest bidder, and ousting old tenants from their hereditary occupancy, whilst it distributed waste lands to new settlers for almost nothing, thereby occasioning ruin to those villages from which they had deserted under the village settlement.

5178. On the average how many years of the decennial engagement were continued before the ryotwar was resumed?—I think that a considerable portion of the leases continued for about six or seven years only. In some parts of the districts the leases were continued to the end of the decennial lease, in all those cases in which the renters, not in default, chose to retain them. With the permission of the Committee, I will read an extract from

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an answer which I gave to Mr. Elphinstone, regarding village leases. It was a private communication, but it was given at a time when the evils of village lease system were fresh in my recollection. The queries put to me upon that occasion were, "How far is the system of leasing to the highest bidders expedient to discover the resources of new countries?" My answer was, "This mode of discovering the resources renders large establishments of revenue servants unnecessary, and saves the collector from all the trouble of making local scrutinies; but it cannot be adopted without superseding the authority of potails, who are the natural and rightful managers of villages, and opening a door to all sort of exactions which are almost invariably committed by strangers, who having only a temporary interest in the management, look only to present profits, without regard to future consequences." The next query was, "Do you approve of leases to potails in cases where there are fixed beegotees, that is, money-rents?" My answer was, "Of the two evils, it is better to give the lease to the potails; but I have seen so many evils arise from this system of village rents in the Ceded Districts, that I am by no means an advocate for it. There the rents were fixed by survey before the introduction of the lease, and they may therefore be supposed to be at least as uniform and as well suited to the quality of the lands, as they are under the beegotee plan. The utmost care and vigilance, however, on the part of the collector, could not counteract the abuses incident to the lease system. The rapacity of renters on the one hand, and the combinations of the ryots to reduce their rents on the other, occasioned numerous failures, and the revenue during the first years of the decennial lease fell below the previous average of seven years' collections, though the seasons were tolerably favourable. The subsequent defalcations, though I cannot specify the exact amount, have been I believe still much greater. The renters possessed no capital, and as they depended entirely upon the punctuality of the payments of their ryots, the first general failure of crops proved the ruin of both. This result happened not only in villages whose rents were perhaps too high for such a system, but also in villages where the assessment was fixed on a reduced and most moderate scale with reference to former collections. The Moamuludars being withdrawn from any direct interference with the details of the settlement of the villages, could not always tell whether the distress was real or fictitious. The collector pressed them for their district balances. They pressed the renters, and the renters squeezed the ryots. The effects were lamentably visible in the course of a short period, in the bankruptcy of many leaseholders, and in the desolation of villages which had, under the ryotwar system, risen to the utmost pitch of prosperity. Had these ruinous consequences been confined to villages in which the failure arose from misfortune only, a judicious lenity and forbearance, notwithstanding the difficulty of ascertaining to whom indulgence might safely be extended, might in some degree have alleviated the evil, but they as often ensued from the improvidence and extravagance of renters, who, anticipating the resources, spent them in a marriage,

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riage, or in satisfying the claims of their creditors, trusting to future extor-
tions to make good their payments to government. Many also fell into
arrears, owing to the dissensions which took place amongst the partners in
the lease, whose collisions broke the village into parties and factions, which
proved as injurious to the welfare of the community as it was ultimately
detrimental to the revenue. In a word, the evils of the lease system I con-
sider irrefragable. Its advantages I never could perceive, except that it
saved trouble to the revenue officers, by keeping the ryots out of sight in a
state of dependence upon the tender mercies of renters, and that it dimi-
nished in some degree the charges of establishments. It was, however, in
the end, a very mistaken economy, which did not in any perceptible degree
counterbalance the losses which flowed from the system." I take the
liberty of reading this extract, as being illustrative of my sentiments at a
time when the village lease system was fresh in my recollection. It is now
more than twelve years since I quitted the Bellary division, and since that
time I have not been much engaged with any details of revenue. My
situation in the Deccan was one of general superintendence, and my recol-
lection of details is not now so perfect as it formerly was.

5179. Have you had any reason to alter the opinion you then expressed?
—Not in the least; quite the contrary.

5180. Is not one of the objections which you have enumerated to the
village lease sytem common in a greater or less degree to every description
of revenue assessment, namely, that it is calculated upon an average pro-
duce, and that consequently the cultivator has in one season more to provide
to meet the demand upon him than in another?—I fancy that it applies
almost as much to the cultivator as it does to the leaseholder; I believe
there is very little providence, in general, on the part of the ryots.

5181. Was any security required from the renter of a village at the time
he undertook?—Yes, the security of a neighbouring renter was commonly
taken; it was more a nominal than a real security.

5182. Were you able generally, when any village renter fell in arrear, to
recover from his sureties the deficiencies to which he was liable?—In some
cases the balance was recovered from his sureties, in other cases it was not
recovered.

5183. You have stated that though competition in the renting of land is
a very desirable thing in England, it is by no means so in India; what are
your reasons for that opinion?—Every occupier in India has, if not a pro-
prietary right in the soil, a right of occupancy, and he is not liable to be
ousted because another bids higher.

5184. Does it in fact frequently occur that there are vacant lands to be
disposed of?—In the Ceded Districts there are several millions of acres of
uncultivated land.

5185. The

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5185. The question refers to cultivated land; are there not constant changes?—There are.

5186. Will you state your reasons for thinking that, in supplying occupiers upon the occasion of such vacancies, competition is not desirable?—When the land is unoccupied there is no question that competition would then be useful; but if competition is employed to oust ryots from their hereditary occupancy because other persons bid higher for the land, all rights of property are then sacrificed and destroyed.

5187. In speaking of the classification of lands on the survey, are you aware that Colonel Munro directed to class the land, not merely by its intrinsic quality, but also by its actual state of cultivation; “Thus, if two adjoining fields of the same quality with respect to soil are held, the one by a poor the other by a substantial ryot, you will not enter them in the same class, but you will place the field of a poor ryot in such lower one as its unimproved state may render necessary.” Are you aware of that instruction, and was that carried into effect in the classification?—Consideration certainly was always had to the actual state of the cultivation of the land: that formed a part of the instructions of Sir Thomas Munro.

5188. Is not the land-tax, so exacted, a tax not on its fertility but in reality upon the means of the cultivator employed on the land?—I think that was a defective part of the Survey Instructions of Sir Thomas Munro, which in framing some Survey Instructions in the Deccan afterwards I was anxious to avoid; but it must be recollected that the lands were not in an improved state of culture at the time the survey was formed, and it was necessary to have some data to go upon, and on which to proceed thereafter.

5189. Were the ryots in the Ceded Districts consulted in the assessment fixed upon their lands under the survey; were they permitted to state their objections to such assessment; and were the assessments modified when such objections were found to be valid?—The ryots were always consulted on those occasions; and whenever there was any dispute as to the amount of the survey assessment, it was either settled by a punchayet of the ryots themselves of that village, or the ryots of a neighbouring village were summoned to assist and to decide upon the point. In point of fact, it was mainly through the instrumentality of the ryots that the survey assessment was formed.

5190. You have stated that there were frequent deficiencies in the produce of the tax on villages; was not part of Sir Thomas Munro’s instructions to levy an extra assessment of ten per cent. on a village, to make good such deficiencies?—Yes, that formed part of Sir Thomas Munro’s instructions. Extra assessments, where money-rents are paid, are quite consistent with the practice of the country. They are in use all over India, but they were rarely resorted to by Sir Thomas Munro. They furnish almost the only check against unfounded

unfounded pleas for remission ; because those who have to pay will not allow the false pretences of others to be the means of burthening themselves. Where the standard of assessment has been greatly lowered, as in Sir Thomas Munro's proposed reduction of the survey-rates, this extra assessment would be considered no hardship, seeing that it would be only a repayment occasionally of a portion of the remission previously granted. Under the village lease system (and I have no doubt under the zemindary system also) a joint responsibility has always been enforced without *any limit whatever*, although the government and the officers of the revenue are not probably always aware of it ; and therefore I do not see why they should not be levied to a *limited extent*, as proposed under the ryotwar system.

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5191. Is not the assessment so levied an actual tax on successful and industrious culture as compared with slothful and negligent culture?—Undoubtedly it has that effect in some degree.

5192. Does not such a principle take away from that a desire to improve land, which it is the object of the government to produce?—Wherever that joint responsibility exists, it is, perhaps, rather a stimulus to industry, because it unquestionably becomes the interest of all the ryots to see that there is not that negligent culture which shall have the effect of throwing a part of the burden upon themselves.

5193. Will you explain in what manner that joint responsibility is shown ; can an industrious man obtain from the slothful and bad cultivator any repayment or redress for the assessment which he pays?—I think it is probable that he never would recover it ; but where there is that joint responsibility, the influence of the principal inhabitants will be used to prevent any negligent cultivator from throwing any part of the burden upon the community.

5194. Does it then become the interest of the whole community to prevent individual negligence?—It does. I consider that in all countries where revenue is wanted by the government, it must be had from those who can pay, not from those who cannot. I am afraid that the principle of extra-assessments prevails in all revenue systems in India ; in the ryotwar system, that has been considered a great objection, but it is mainly because it is brought into sight more than under any other system.

5195. In any settlement in India would it not be a desirable principle to adopt that each individual ryot should be secured under the law in the enjoyment of his industry, instead of being assessed as heretofore for the defaults and deficiencies of his neighbour?—Unquestionably that was the system that was strongly recommended by Sir Thomas Munro in his letter of the 15th of August 1807.

5196. Did not Colonel Munro, in 1817, after all the experience he had had, again recommend an extra assessment to be levied generally, to make good all deficiencies?—Possibly to the extent of five or ten per cent. (but of this I am

29 Sept. 1831. am not certain) in cases where there had been a previous reduction of twenty-five per cent. in the survey rates of assessment; such extra assessment, if he did recommend it occasionally to be introduced, to the extent of five or ten per cent., could be no great hardship.

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5197. If it is wrong in principle, is it not erroneous, to the extent to which it went?—It may be so; but you must have some means of securing the revenue to carry on the affairs of the government.

5198. Cannot the revenue of a country be secured by a portion of the produce of the industry of each class, in just proportion, so as not to make the industrious pay for the idle?—The extra assessment was not considered an indispensable principle in Sir Thomas Munro's system.

5199. Under the ryotwar settlement that you made, was a ryot allowed to cultivate what lands he pleased, or was he obliged to take a portion both of good and bad land?—There was a considerable degree of restriction used in the Ceded Districts before the survey took place. As that restriction has been considered a very great defect in the ryotwar system under Sir Thomas Munro's management, I think it would be but fair that I should explain it in Sir Thomas Munro's own words. In a minute of the 31st December 1824, which is contained in vol. 3, Revenue Selections, p. 602, Sir Thomas Munro, in explanation of that circumstance, states that "The farm or estate of a ryot is generally composed of three parts. The first and principal part was his own farm, containing lands which he always occupied; the second, but much smaller part, containing land of inferior quality, was called his kutgootta, and was held at a low and fixed rent; and the third was his cowl land, taken from the waste of the village, which he cultivated one, two, or more years, and then threw up, according to the terms of the cowl or engagement. In all cases where the rent was raised, it was done by imposing an additional rent upon his old farm. The kutgootta and cowl lands were always exempted, both because to have imposed an additional assessment upon them would have been regarded as a breach of engagement, and would have discouraged the extension of cultivation; in some districts the addition made in one year to the rate of assessment was taken off in the next; in others it was continued, and fresh additions of five, ten, or fifteen per cent. being made at subsequent periods, and rendered permanent, the aggregate of these extra additions frequently came in time to equal or exceed the original assessment. But there is reason to believe that these additions were in a great measure nominal; that they did little more than counterbalance the fraudulent reductions made by the kurnums in the accounts of the original assessment. These extra rates were usually unwillingly paid at first; and instead, therefore, of imposing them, it was often thought more advisable to give the ryot a piece of waste land, the rent of which he was required to pay, whether he could cultivate it or not. The ruling power always endeavoured to encourage, or rather to force the extension of cultivation, as a plea for drawing a larger revenue from the country. The result of

of such a system pursued for ages, has been what was to be expected, namely, that the extent of land in cultivation and paying a revenue is much too great for the agricultural stock of the country; that every ryot has more land than he can cultivate properly, and that he is only prevented from throwing up a part of it by the well-grounded fear that the difference of rent would be thrown upon the part which he retained. This is the state of cultivation generally throughout the Deccan, and it was and still is, in a great degree, that of most of the provinces which have fallen by conquest under the authority of the Madras government. The excess of land occupied by the ryots beyond what they can adequately cultivate varies in different provinces, and is estimated from one-tenth to one-third, and it may be reckoned on an average at one-fifth. It is obvious, however, that more land being occupied than could be properly cultivated, the rent must in time have adapted itself to this state of things, and become lower than it would otherwise have been, and that a fixed assessment made upon such a rent would in general be favourable to the cultivators or ryots. It is also obvious from what has been said, that if, after making such a fixed assessment, perfect freedom were given to the ryots to throw up whatever land they did not want, they would throw up one-fifth of their land, and thereby diminish the revenue in the same proportion. But this diminution could only be temporary; because as the ryots, by concentrating their agricultural stock upon a limited extent of land, would obtain a greater produce from it, their means would gradually increase, and enable them to take and cultivate again the land which they had relinquished. Under annual settlements and fluctuating assessments, they are not very anxious about throwing up land, because they know that by the custom of the country we can raise the assessment upon the remaining land according to its produce and improvement; but whenever the assessment has been fixed, they soon discover the advantage which it gives them, and endeavour to get rid of all their extra land. The liberty of doing so has been already partially granted, and must be fully granted to them; for though it will cause a temporary loss of revenue, it is a sacrifice which ought to be made for the sake of securing the great public benefit of a permanent revenue, founded upon the general establishment of private landed property; for even where the assessment is lowest, the knowledge that it may at any time be raised, hinders the land from acquiring such a value as to render it a saleable article, and we cannot communicate to it the value which it ought to possess, or render it a private property capable of being easily sold or mortgaged, unless the public assessment on every part of it be previously fixed. When it is fixed, all uncertainty is removed, and all land which is not absolutely over-assessed, soon acquires a value which is every day increased by improvement made in consequence of the certainty of reaping all the profit arising from them."

5200. The evils of that system having been so clearly pointed out by Sir Thomas Munro, have they been up to the present time corrected?—Those evils were continued for several years in the Ceded Districts during his management, owing to the circumstance of the government being engaged

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in expensive wars, and their finances being extremely embarrassed. They could not afford to make the reduction which Colonel Munro afterwards recommended, to give a value to the land, and in consequence those evils were continued whilst the ryotwar system lasted. As far as the Ceded Districts were concerned, the reductions in the survey assessment which Sir Thomas Munro proposed at the early period of 1807, have, since the discontinuance of the lease system, been carried into effect, and all restrictions have been removed.

5201. At this time are you aware that the lands so held have now acquired a value, and can be mortgaged and sold?—I do not think that they have yet acquired it, but I think they are in the course of acquiring it.

5202. Is it possible that they should acquire any value, until the right of property and the enjoyment of the produce of industry is secured to every ryot?—Certainly not; that is I think very clearly stated by Sir Thomas Munro, in the extract I have read. I conceive, that as long as the land is subject to any indefinite demand, it never can acquire a permanent value.

5203. You have stated that the community, as it were, became liable for the deficiencies; is not the natural result of that, to render the inhabitants of every village under that system, spies upon each other?—Unquestionably, they are obliged to look after their neighbours, and they must have an interest in seeing that they do not either wilfully or from negligence throw up their lands.

5204. Is that a system likely to encourage peace in villages, or to promote cultivation?—I think in villages where that joint responsibility has prevailed, the affairs have been generally extremely well managed, and perhaps much better than in other villages where that joint responsibility has not prevailed. I think it has been generally the object of government, under the system of village leases, to encourage that responsibility as much as possible.

5205. You have stated that remissions were made on deficiencies; are you not aware that remissions were only allowed in extreme cases, and that the revenue instructions are to exact from the ryot the last farthing he can pay?—I should not think that was the general tenor of the instructions; it will be necessary, in order to appreciate those instructions, that the whole of them should be read; but the rule adverted to was certainly never rigidly adhered to; on the contrary, remissions were much oftener granted when they were not required.

5206. Is it the practice now to levy the extra ten per cent. upon the villages in the ryotwar districts in the Madras territories?—It is now twelve years since I left the Madras territories, and therefore I am not quite sure what the arrangements are at this moment; but I think that by orders from the Court of Directors at home the practice was entirely discontinued.

5207. Is it not the practice in all the other districts to levy that extra assessment?—I am not aware that it is.

5208. It

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5208. It has been stated that coercion was employed by the revenue officers to make the ryots cultivate and pay their instalments; is that practice still continued?—I believe it is entirely discontinued.

5209. Since what period?—I should think since the expiration of the decennial leases, and the re-introduction of the ryotwar system.

5210. In what year do you consider the ryotwar system to have been completely reinstated?—It was after I left the Madras territories, I think about the year 1820 or 1821.

5211. In the Cuddapah division of the Ceded Districts, what was the effect produced by the village lease system?—The effects produced in the Cuddapah division was very similar to those of Bellary, except that the failures were not quite so extensive there. The decennial settlement in the Cuddapah division, I think, was probably from ten to fifteen per cent. below that of Bellary with reference to former collections. Annual remissions were made to the leaseholders in Cuddapah to a much greater extent than in Bellary, and a much larger proportion of revenue was settled conditionally, that is, subject to the consideration of paying the revenue if the tanks filled, and of its being remitted in case they did not get their full supply of water. I think that in Cuddapah the settlement may have been considered to have been less a failure than in Bellary, on account of the great reduction that took place in the original lease, and the annual remissions that were made.

5212. Did you consider it as your duty, when you were a collector, to enforce the engagements entered into by the renters?—Whenever I conceived that they had collected the amount from the ryots, and had appropriated it to themselves, in that case I conceived that the engagements ought to be rigidly enforced, but in other cases, where the failure proceeded from misfortune, I did not press them.

5213. Did the collector of Cuddapah enforce those obligations?—The collector of Cuddapah, I have already stated, made much larger remissions than were made in Bellary, and therefore the settlement in Cuddapah assumed more the character of an annual settlement, than in the Bellary division.

5214. Do you know whether he annually obtained the consent of the government to make those large remissions?—I have no doubt that he could not have made them without their sanction.

5215. This being the case, should you not be disposed to consider those decennial leases, as in truth, little less than annual settlements?—I conceive that they assume very much that character, from the necessity of making constant remissions every year to a large proportion of the villages.

5216. Remissions being absolutely necessary, did the parties who cultivated the land, and paid their revenue through the renters, possess equal security under the village lease system of obtaining their individual share of the general amount remitted on entire villages, as they would have done

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under direct ryotwar settlements?—They certainly did not possess any security at all equal to the security they possessed under the ryotwar system. There was much less strictness of interference on the part of the revenue officers, both in the allotment of the land and in determining the rent to be paid, so that they could not always know how the remissions were distributed.

5217. Does it come within your knowledge, that it was the intention of the Madras government to declare the decennial leases perpetual, had the renters generally been able to fulfil their engagements?—That was the declaration at the time the leases were formed, subject to the approval of the Court of Directors at home.

5218. Is it your opinion that the renters would have been able to do so, had the government granted to the renters the abatement recommended by Sir Thomas Munro in 1807?—No, I do not think the renters would have ever been able to fulfil their engagement, even had those abatements been made.

5219. In that case would the renters have considered the original field, or the reduced assessment, the standard of their demands on the immediate occupiers and cultivators of the fields of their respective villages?—As the renters never confined themselves to the survey rates, it is not at all likely that they would have limited their demands to the reduced survey rates.

5220. What do you consider to be the advantages and disadvantages of ryotwar settlements?—I conceive the ryotwar system to possess many advantages, when ably conducted; it is alike calculated to better the condition of the cultivator, and to improve the finances of the government. It is the ancient system of the country adapted to the narrow circumstances of the Indian peasant, his rent varying with the extent of land under cultivation every year. Under this mode of management in the Ceded Districts, as administered by Sir Thomas Munro, I have myself witnessed a great increase in the population and of the capital of the country; hundreds of thousands of acres of waste were brought under tillage, and the revenue of the province gradually rose from ten to eighteen lacs of pagodas, although the land assessment was avowedly too high, as Sir Thomas Munro always acknowledged. The population increased about one-third during the period of his management. A regular census was taken of the population, and regular returns made in the year 1802, and again in the year 1806. The ryotwar possesses over other systems the advantage of enabling the collector to accommodate his settlement every year to the exigencies of the people in times of drought and failure of crops so common in India. All remissions that are made on that account go directly to the ryot himself, whilst any profit that may arise over the ordinary assessment, is entirely his own. Deductions under any other system, that is, the lease system, or the zemindary system, are usually intercepted by the farmer or middleman, and a small portion only is granted to the actual sufferers. The ryotwar system gives also a correct and complete insight into the state of the resources of
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the country, shows whether they are advancing or declining, enables the collector to remedy in time any defects, and to train up servants capable of ascertaining those defects. The system, on the other hand, whilst it never seriously affects the finances of the government by any great failure, leaves room for the revenue to increase with increased population and resources; and as I have stated, experience has shown that even a high revenue may be realized consistently with an improvement in the condition of the cultivators. The disadvantages of the system are, that owing to the great detail of accounts, a larger establishment of native servants is required to conduct it, than under the farming system, or the system of leases; and that it requires a minuteness and frequency of interference in the detail of village management, which is considered to be incompatible with the interests of the heads of villages, but more particularly so with the present code of judicial regulations. These I conceive to be in abstract the advantages and disadvantages of the system.

5221. Do you consider it necessary to the success of the ryotwar system, that a previous survey and assessment of the lands should be made?—I conceive that the only sure ground-work of a ryotwar settlement is to make a survey; without it the ryots are under a collector of little experience, left too much to the discretion of the village and district officers, a discretion which we know is often abused. A just assessment of districts possessing various capabilities can seldom be made from the imperfect information of the village accounts; but when the extent and value of every field is fixed, and the accounts methodized, every revenue officer of moderate capacity may make the settlement. It is then, as was stated by Sir Thomas Munro, nothing more than a list of fields, and a list of ryots, and the total forms the village rental; intricate and perplexing scrutinies of confused and often interpolated accounts are no longer required. The existing rights and tenures of individuals are ascertained, and endless disputes about rent and boundaries being obviated, land acquires a substantive saleable value, which it never can possess as long as the public demand is undefined. Inequalities of assessment, although they cannot be entirely prevented, are very much corrected; a register exhibiting the rights of all parties is established, and if added to this the assessment be made light, or at least all excesses curtailed, more is done towards the welfare of the people, than could be effected by any other political expedient that could be devised for their happiness. I conceive, however, that summary authority must always be left to the collector, to inquire into and redress illegal exactions on the part of the village or district officers, and to adjust disputes about rent, and to secure the revenue from misappropriation; unless invested with those powers, there is no protection for the ryots against oppression, for our courts of adawlut have been found quite incompetent to this task, when the collector has been excluded, as he has been under the lease and zemindary systems, from interference and intercourse with the immediate cultivators of the soil. This power, I consider, is equally necessary to secure the public, as well as the private

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private rights. Public rights, in all countries, are most open to abuse; it is from this consideration, that even in countries where there is most liberty, exchequer and excise officers are armed with extraordinary powers. The collector, under the present regulations in the Madras provinces, has, I believe, all the powers I have mentioned, under a recent regulation, I believe of 1822; until that regulation was established the collectors had very little power to prevent exactions and abuses.

5222. Does the collector prevent the crop being removed from the ground till payment is made or security given?—It was sometimes done under the ryotwar system, but I think they very seldom had occasion to exercise that authority after the survey-rent was established.

5223. Since the survey-rent has been established, has an extra assessment of ten per cent. ever been levied?—I do not think that it ever was levied during the short period I conducted the administration of Bellary, before the lease was established. In short, it was very rarely resorted to; it was held out more in terrorem, to prevent unnecessary pleas for remission, than for any other purpose.

5224. You have stated that one of the advantages of the ryotwar system is that the collector may know the situation of the ryots, and that when a remission is made, the amount remitted goes back immediately to the cultivator; is a remission ever made if the parties are able to pay?—If the loss is inconsiderable, claims for remission are not admitted; if they were admitted, the applications for remission would be endless, and there would be no security for the revenue. It is only where the losses are heavy that the claims for remission are taken into consideration.

5225. Are the Committee to understand, that the remissions are merely made to those who are unable to pay?—Clearly, if they are unable to pay. The survey-rent having been fixed upon the ordinary state of cultivation, they ought to be able to pay one year with another, the profits of good seasons compensating for the losses of bad.

5226. In the settlements to which you allude, and which the collector can make, has he any authority ever to raise the assessment once fixed—Never, after the survey has been once fixed.

5227. Although new lands are taken in?—New lands are surveyed and assessed like the land actually in cultivation, provided they have been in cultivation within the last fifteen or twenty years.

5228. Have any of those remissions to which you allude been made permanent remissions, or only remissions for a year, where any peculiar misfortune has taken place?—The permanent remission of twenty-five per cent., recommended by Sir Thomas Munro, has actually been made generally in the Ceded Districts. I think that took place in the year 1820.

5229. That remission being made, what proportion of the gross produce do you consider those districts now to pay as rent?—Instead of forty-five per

per cent. which they were considered to pay before, I suppose it would be reduced to about thirty-three per cent.

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5230. Do you consider that a fair estimate in all the lately ryotwar settled districts in the Deccan?—I should think about one-third of the gross produce would be about the amount that is generally taken; but it varies in different soils, in some it is somewhat higher, and in others a great deal less.

5231. In the assessment made, were lands producing such articles as betel, pepper, indigo, sugar-cane, and fruit-trees, more highly assessed than lands of the same quality bearing ordinary crops, and if so, was not the imposition in this case rather an excise than a land-tax?—Before the survey took place, lands producing betel and sugar, and the other articles adverted to, were assessed according to the practice of the country, at two or three times the ordinary rate, but the survey corrected those inequalities, and the consequence was, that this equalization, although the survey had but a short time to operate, produced a great augmentation of those valuable articles of produce.

5232. On what principle was that equalization made; was a portion of the land-tax considered as rent, and a portion as the produce of capital employed in planting and rearing those particular articles of produce which required greater expense?—It was settled as the survey rates of all other land were settled, with reference to the quality of the soil, its payments in former years, and its natural fertility.

5233. Does not that still involve the principle that capital was taxed, as well as land?—At the time the survey was made, it must have operated in some degree, no doubt, as a tax upon improvement; but after that survey had once been completed, it was then permanent, and any further improvement that took place would be the profit of the cultivator himself, from the period of the survey. Until the survey was completed, nothing in fact was fixed.

5234. Then in framing the assessment and collecting the revenue, regard was had as well to the means of the cultivator as of the land?—Yes, anterior to the survey.

5235. And in settling the payment under the survey?—In framing the settlement originally, that circumstance was no doubt taken into consideration.

5236. Would any previous survey and assessment be necessary in adjusting the collection of the revenue through zemindars of talooks, or other large divisions of country?—I should conceive it quite indispensable, in order to protect the ryot from any exaction, that the rents should be defined.

5237. In the absence of any such survey, in what manner could the courts of justice determine the equity of the demand of the zemindars from the people

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people paying the land revenue?—I do not know any means they have of determining the equity of those demands.

5238. Are you aware of any principle in the ryotwar system of revenue settlements which is incompatible with the administration of justice in the districts in which that system prevails?—I am not aware of any part of the ryotwar system which is at all incompatible, provided the collector be left with summary power to prevent exaction and abuses.

5239. What are the summary powers to which you allude?—I must beg leave to refer to the regulation passed in 1822 ; I consider those powers are quite necessary to prevent all those abuses which took place under the lease system, and which I at that time had no power to remedy.

5240. Should the ryots, holding directly of the government, have occasion to complain of the exactions of the revenue officers, would they possess equal facilities of bringing their complaints before the courts as if they had paid their revenue through a zemindar, or other revenue contractor?—I conceive that they would possess still greater facilities under the ryotwar system than they would under the zemindar or contractor, because the zemindar or contractor has generally such influence in the village, that he is able to suppress complaints, and to prevent the cultivator from going to court at all ; he has a thousand means of rendering the ryot's situation so uncomfortable, that if he were to go to court, the probability is, he is ruined for ever afterwards.

5241. In cases of any dispute between the ryots and the local native revenue officers, would the parties complaining resort to the courts or to the superior revenue authorities in the first instance?—I should think they would always give the preference to the superior revenue authorities, because the complaints would be at once inquired into, and redress would be given immediately ; whereas if they went to court they would have to wait an indefinite time before they got any investigation, and probably no redress at last. I have often known that ryots who went to court to complain, had to sell their little brass pots or their blankets, in order to enable them to purchase the stamp paper on which the complaint must be written, to be heard at all.

5242. Have the European revenue authorities ample power to punish acts of oppression which may be committed by their native district and village officers, without resorting to the established courts of justice?—They have, under the regulations lately established of 1822, full powers, which did not exist at the time I was in office.

5243. Have you practically in your own experience found that the fees required for instituting complaints on the part of the ryots have been a great bar to the obtaining justice?—I have always understood that they were considered a great grievance, and that the ryot, in fact, is generally so poor, that he is incapable of paying those fees.

5244. Is it then your opinion that in any change for the protection of the ryot, those fees should be abrogated?—Unquestionably ; he ought to get justice,

justice, and speedy justice, the moment he complains, for if he is kept away from his village for any length of time, it is equivalent to ruin to him. 29 Sept. 1831.

5245. Then it should be not only free of expense, but it should be locally administered?—It must be summary justice. *W. Chaplin, Esq*

5246. Do you conceive that the large authority which is vested in the European collectors, operates beneficially on the interests of the payers of the revenue, and relieves the courts of justice from much business which they could not satisfactorily decide?—I have no doubt that would be the effect of the regulation, although I have not had an opportunity of seeing its operations. That summary authority is liable no doubt to be abused, but by establishing appeals from the decision of the collector, I think that abuse may be checked.

5247. In case the cultivator is driven from the field which he tills by application for arrears, is it now the practice to follow the fugitive wherever he goes?—It is not now the practice, but by the ryotwar system, as it originally existed, that was followed up to some extent. I have already, in reading the extract from Sir Thomas Munro's minute, stated the reasons that led to the exercise of that authority.

5248. In assessing a plantation that required a number of years' growth to bring its produce to perfection, was allowance made in the assessment for the time and expense which had brought the plantation to a state of production?—It formed a part of the instructions to the surveyors that those circumstances should be taken into consideration; whether it was always done or not I cannot say with any precision, but if the assessment was considered objectionable, the ryot had always an appeal to the collector, and in that case it was usually settled by a jury. In fact the assessment was mainly formed by the ryots themselves, and therefore if it was too high they have themselves to blame for it.

Martis, 4^o die Octobris, 1831.

WILLIAM CHAPLIN, Esq. again called in, and examined.

5249. WILL you state whether in the districts settled on the ryotwar principle, disputes are less frequent in the courts than in those under the zemindary settlement?—I should imagine they would be much less frequent in the courts, because the collectors have the power of giving summary redress to the complaints of the ryots. Under the present system, by a late regulation established by Sir Thomas Munro, in 1822 I think, collectors

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5250. Are you of opinion with Sir Thomas Munro that a moderate and equal assessment of the revenue contributes essentially to secure the public tranquility?—I should conceive nothing would contribute so much to the public tranquility as a low assessment. In all those districts where a moderate assessment has obtained, and where the ryotwar system has been well conducted, I have understood that there has been less crime than in other districts.

5251. Do you conceive that the ryotwar system may be considered as having had a fair trial previous to 1820, when the reductions took place?—I conceive in the Ceded Districts it had by no means a fair trial there; it was superseded about a twelvemonth after Sir Thomas Munro's departure, by a system entirely different, and was not again revived until the year 1819 or 1820, when the reduction in the survey assessment was made according to Sir Thomas Munro's recommendation. Until that time it had no fair trial.

5252. What system of revenue management did you introduce into the Southern Mahratta country after its conquest by Sir Thomas Munro in 1819?—The ryotwar system was introduced into the Southern Mahratta country. The Mahratta managers of districts had for years past been accustomed during the Peishwa's government to the farming system, under which districts were let out to the highest bidder, and by them again underlet to other renters. The consequence was that great confusion had been introduced into the accounts of the villages, and there was considerable difficulty in making our settlements on the ryotwar plan. Those difficulties had been in a great measure surmounted, and the ryotwar system is followed up to the present day in the Southern Mahratta country with as much success as can be expected without a survey assessment.

5253. Was the same mode of management followed in the other part of the Deccan after you became commissioner?—It was.

5254. Had any revenue survey been instituted?—A survey had been begun in the Poonah collectorate, just before I left the Deccan, the detailed instructions for which survey will be found towards the close of the third volume of Revenue Selections. That survey is still in progress under the superintendence of a very able young man, Mr. Pringle, who was selected for the duty, and has since made a report on the subject, which, together with the instructions adverted to will, I think, if laid before the Committee, show that very great care and attention has been given to the subject, and that there is a promise of its being brought to a successful conclusion.

5255. What should you state in your judgment to be the best mode of improving the character and condition of the lower orders?—I conceive that almost the only thing to be done to improve the character and condition of the
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the lower orders, is to lower the assessment and to fix the amount for each field, and to make it permanent for a long period. By taking a moderate rent, we shall contribute more to the prosperity of the people and to the suppression of crime, than by the most perfect code of regulations which can be established.

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5256. You would recommend a more speedy and economical mode of obtaining justice?—Yes, unquestionably, that is what I should recommend too; but I consider that lowering the assessment generally is quite essential.

5257. Were the agricultural classes in general in a state of great poverty?—The lower classes of ryots generally were poor, but on the whole I am not sure whether they would not bear an advantageous comparison, in point of condition, with the lower orders of peasantry in Europe. It is the fate of the lower orders in most countries, to have little more than the bare means of maintenance.

5258. Are you able to form any opinion, by comparison, of the difference of condition of those orders under the native chiefs, and under the Company's government?—Under some of the native chiefs, whose administration was good, I should say the condition of the lower orders is perhaps superior to that of the same class in some parts of the Company's territory. On the other hand, in some of the districts of the native chiefs, nothing can be worse than the condition of the lower orders.

5259. What were the parts where you considered the situation of the natives was superior?—In the Deccan; I allude to the jaghires of the Putwuden family, most of which were in a very flourishing condition, and the ryots I think in a state of great prosperity, perhaps even superior to that of the ryots of the Company's territories generally.

5260. What were the circumstances in the situation of those countries, which in your opinion led to that?—Those chiefs are entirely independent in their own lands, and possess very summary authority, with nothing to control or interfere with it. Their estates are situated in some of the very richest parts of the country, and they pay no assessment whatever to the government. The chiefs themselves reside upon their estates, and whatever revenue they derive from them is spent upon the spot. In general their administration is conducted with much efficiency, through the agency of their own relations, in whom they can place entire confidence. There exists also a great check against oppression on the part of the jaghirdars, in the facility with which the ryots can emigrate, if they choose, to the lands of other jaghirdars in the neighbourhood.

5261. Is there in the exterior appearance a greater prosperity and greater happiness in the people of those countries?—I should not say there was so much superiority in their exterior appearance, as in the fully cultivated state of their lands. I do not think the ryots, generally speaking, are in very superior circumstances.

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5262. In those districts, do the chiefs advance any money by the way of tuccavee?—I have not the least doubt that they do so very frequently. It is the practice all over India, for the native governments to make such advances, and I apprehend that these chiefs, whenever it is necessary, follow the practice.

5263. Was it the practice with you in those village and ryotwar settlements to make the tuccavee advances?—It was not so much under the village as the ryotwar settlement; but it was not discontinued entirely even under the villagelease settlement.

5264. And that continues now?—I have not the least doubt it does.

5265. Do you make the advances by any rule proportioned to the rent to be paid, or in what way do you regulate those advances?—The amount of advances for each district depends, in some degree, on the amount of the revenue; but the chief rule by which we are guided on such occasions is, to give it where it is most wanted.

5266. Is there any limit as to the proportion to be given to the rent to be paid?—Speaking with reference to a whole district, the amount I think is regulated with reference to its revenue; but with respect to particular villages or persons, it depends a good deal upon the degree in which they may stand in need of it.

5267. Are there any instructions that the twelfth or twentieth, or the fourth or the fifth, or any certain portion of the rent shall be given?—No, I do not think there is any regulation as to the proportion.

5268. Can you state what amount of tuccavee or advances was made in a district, whether a lac of rupees, or any certain proportion of the land-tax received?—I should think it would very likely amount to from seven to ten or twelve per cent. I am speaking from imperfect recollection, but I suppose that probably would be the extent of it.

5269. Are the Committee to understand that in those districts where the ryotwar settlement has been fairly made, the pecuniary advances are still made?—I have no doubt they are. They are often necessary to enable the ryot to purchase seed or a bullock to carry on his cultivation.

5270. From your experience, what loss is sustained from making those advances, and what was the amount at the close of your administration of irrecoverable advances?—I think the amount is generally repaid without any loss. On the contrary, a ryot receiving an advance of ten rupees usually pays it back with ten or fifteen rupees of rent. I do not think the balances outstanding were ever considerable. I have no recollection of any tuccavee balances that were of considerable amount.

5271. When tuccavee was advanced, did you take any greater precaution to recover the land-tax before the crop was appropriated, than in those cases where those advances were not made?—I have no doubt the village
potail,

potail, or district officer, would take every precaution to see that the crop was not made away with.

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5272. Are the precautions you allude to, the keeping guard over the possession of the crop until payment is made?—Yes, that is one of the precautions constantly made use of.

5273. Is that a practice which has been adopted in the ryotwar settlement?—It was by no means a general practice, but it was frequently resorted to as a measure of security for the revenue, where necessary. The heads of villages, if they thought a ryot likely to be in default, would no doubt take every precaution without any special orders upon the subject, the rents under ryotwar settlements being always collected by the heads of villages.

5274. Is it not now very generally the practice in such parts of India as you have been in, for the collector to direct the crops not to be removed from the ground, until the land-tax, or a certain amount of customs and land-tax are collected?—I do not think that is a general practice; it is no doubt sometimes resorted to.

5275. Do you not think it would be more consistent with sound policy and the interests of the people, to have light assessments made by law, sufficient to render those advances unnecessary?—That I have already stated to be quite essential to the prosperity of the people and the future security of the revenue, and that has always been one of the leading principles of Sir Thomas Munro's ryotwar system. I more particularly advert to his plan of the 15th August 1807, of a ryotwar settlement with the reduction that he proposed in the survey rates of assessment.

5276. Then in your view, if the reductions were made, and the assessment light, you conceive the tuccavee advances would be unnecessary?—They might be gradually dispensed with.

5277. In those territories which you state you think are more prosperous under native chiefs, than almost any part of the territories of the Company, can you state whether the taxation of those districts was lighter than the taxation on the districts of the Company?—I should conceive, generally speaking, the jaghiredars whose lands are in that flourishing condition, are indulgent to their tenants; probably more indulgent than some of our own revenue managers.

5278. Would that be from the manner in which the revenue was raised, or the same amount of the revenue drawn from equally cultivated lands?—I should think probably that the assessment was lighter, but I cannot state it to be the fact.

5279. In enforcing the collection of the revenue, did it ever come to your knowledge, that any tehsildars or native revenue officers, in the exercise of their office, made use of the ketticole or hand torture, or the stocks, to enforce payment?—That under the native government is by no means an uncommon practice; under the Company's government any such grievance
certainly

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5280. Were the wells, reservoirs, watercourses, embankments and other works of irrigation existing in the conquered territories in the Deccan, numerous on our taking possession of those countries?—In the Deccan there are very few tanks at all, but there are a great many wells, watercourses, dams for diverting water from rivers, and other sources of irrigation for the cultivation of the land. Many of them were in great decay, and several have been restored.

5281. Are you able to state whether the most remarkable of those works were traced to the Mahomedan or Hindoo government?—There were remains of several works in Candeish, which I think were originally formed by the Mohamedan government, but most of them were in a state of great dilapidation; and nearly the whole country, when we got possession of it, was desolate, covered with jungle, and so infested by tigers, that there was scarcely any part of it which could be safely inhabited.

5282. In the other parts were the same public works of considerable antiquity?—I do not think that there are any considerable remains of public works in the late Peishwa's territories of the Deccan.

5283. Do you recollect any new works of irrigation constructed by the British Government during your charge, or any old ones repaired?—There were several old ones repaired in the Deccan. In the Ceded Districts of Madras they were extremely numerous, for a great deal of the revenue there depends upon the cultivation arising from large tanks or reservoirs, and a large expenditure took place annually for the repair of those works.

5284. What effect do you consider would arise from a moderate portion of the revenues of the Deccan being applied to construct aqueducts, canals, and other means of irrigation?—I have no doubt where there is sufficient population to make those aqueducts or canals available, the cultivation might be very much extended by those means.

5285. Is it in the power of the Indian government, in the present state of their finances, to make those advances?—I think wherever they are considered necessary they are always made, with a view to the improvement and security of the revenue, and that the government is never backward in making those advances

5286. In your reports of the state of the country, you state that the cultivators of the Deccan are much involved in debt; at what rate do they generally borrow money on the security of their crops and lands?—I think the rate varies from twelve to twenty-four per cent.

5287. You mean generally?—Yes, never I imagine under twelve per cent.,
and

and it is sometimes twenty-four per cent. Two per cent. a month is a very common rate of interest.

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5288. For what period are those loans made?—They are generally made for a short period, and often repaid out of their crops. If the loan is made in grain, I think the interest sometimes amounts to nearly cent. per cent.

5289. Can money be borrowed in the Deccan for a period of years?—Yes, and undoubtedly it often is borrowed on the security of meeras land, or other property.

5290. That is in particular districts?—Throughout a great part of the districts meeras prevails. I except Candeish and the Southern Mahratta country, where little meeras is to be found. If the Committee refer to the 107th paragraph of my report on the Deccan, under date the 20th of August 1822, they will see a very full account of the meeras tenure.

5291. What rate of interest is required in such cases?—I should think not less than twelve per cent. generally; the interest on loans is rarely below that rate in any part of India at any time.

5292. In speaking of the debts, what proportion of cultivators do you suppose are obliged to incur debts in order to complete their crops?—I cannot state what proportion; generally speaking, I should imagine they would not be liable to incur any debts at all if the assessment were properly distributed, and remissions for losses judiciously made.

5293. You are aware that the banking system has been introduced in Bengal to a considerable extent?—In Calcutta, I believe, it has.

5294. If a good system of banking was established in other parts of India, so that money could be borrowed at eight or ten per cent. would not that have a very great effect towards the improvement of the country as well as the increase of the revenue?—Unquestionably, any system by which money could be borrowed at a low rate of interest would be advantageous to the community.

5295. Would it not be beneficial if in different parts of India establishments of that kind could be made?—There is, I believe, no part of India where establishments of that kind do not actually exist conducted by natives. In Poonah, and many parts of the Deccan, there are shroffs or sahookars who have correspondents all over the country, so that in most of the large towns you can get bills of exchange on any part of India.

5296. You have stated that you conceive the reduction of the land revenue would be the best mode of improving the character and condition of the lower orders; have the goodness to state what occurs to you with a view to the amelioration of the character and condition of the superior orders?—I conceive the best way of improving the character and condition of the superior orders would be to leave open to their ambition some of the higher and more lucrative offices of the government, and to allow them to participate as much as possible in the administration of their own country; it may
not

1 Oct. 1831. not be politic to allow them to hold the highest departments, which I conceive should always be filled by Europeans.

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5297. To what departments do you allude?—The judicial and revenue; from the chief political offices I should always exclude them.

5298. Did you say the higher or the highest?—In the highest I would not recommend their employment; those I think must always be in the possession of Europeans. By permitting the natives to fill a few of the high situations, we shall gradually raise a native aristocracy of our own, who, being indebted to our government, will feel an interest in maintaining it, being sensible that they would be the first to suffer by any revolution; they would then consider the security of their own fortunes identified with the safety of the government.

5299. How do they stand affected to our government now?—The exclusion of natives from all offices and places of trust, except the subordinate ones, has a tendency to produce a deterioration of character. In this respect they sensibly feel the consequences of foreign rule, all the paths of honourable ambition being shut against them, and it may be feared that discontent will increase so that we may eventually become extremely unpopular. Indeed I conceive that a general disaffection might be expected to take place, were it not for the sense generally entertained of the good faith of the Company's government, its regard for the rights of person and property, and its strict attention to the religious customs and prejudices of its subjects. Hence, though there is little attachment to our rule, and no great interest in its stability, there is a general feeling of respect, and a thorough confidence in the integrity of the English character, which, supported by the fidelity of our native troops, forms the chief support of our tenure in India.

5300. You consider that their feelings are at present those of a conquered and degraded people?—I conceive very much so.

5301. Are you of opinion that any improvement in the circumstances of the people has yet been effected by our government?—I am afraid that the nature of our government is not calculated for much improvement. The natives enjoy under our sway more security of property and person, and they suffer less oppression and less exaction than under the native rule. They have generally, also, an incorrupt and impartial administration of justice, though I am sorry to say a very tardy and expensive one; but I conceive the degradation already adverted to tends very much to check improvement. The nature of our government is, in fact, adverse to improvement. Its officers, from the Court of Directors here, and from the Governor and Council in India, downwards, are constantly fluctuating. Partial and limited experience is no sooner acquired, than a change takes place before it can be brought into effectual operation. Plans of improvement are followed for a time, and then relinquished under a new Chairman of the Court of Directors, a new Governor-general, or a new administrator of the revenue; these frequent revolutions, by flood and field, occasion, in my opinion, a vacillation in the administration

administration of affairs extremely injurious to the interests of the community in India.

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5302. What would be the effect, in your opinion, of allowing Europeans to resort to India, and reside there without restraint? If totally unrestricted I should think the measure an extreme dangerous one, and one that would tend eventually to shake the whole fabric of our government. Everybody is aware of the tenacity with which the Hindoos adhere to their customs and prejudices, and I fear if Europeans of the lower, or even middling order, were unrestrictedly allowed to reside in the interior of India, those prejudices and customs would be constantly liable to be invaded.

5303. Would not India derive a great advantage from the settlement of a great number of Europeans in the interior?—I conceive if they were restricted in numbers, and under control, that the country might derive considerable advantages from the application of the skill and capital of Europeans, and that under restrictions the system of licenses might be extended.

5304. What amount and description of restrictions should you be disposed to impose on persons residing there?—I conceive they must be subject to all the laws that are in force in the interior of the country, and be under the complete control of government, with all the power it at present possesses of sending them out of the country if they deviate from the rules laid down for their guidance.

5305. You would maintain the licensing system?—I conceive that might be extended with considerable advantage, provided due control be always kept over such Europeans.

5306. Would you leave persons residing under the mere arbitrary whims of the authorities?—I conceive the most complete control on the part of the government is essentially necessary, and that the power should be exactly defined by the legislature, for unless this be done the government will be constantly involved in litigation with the supreme court at the presidency, and that there will be a frequent collision between them, which always tends to degrade the dignity of the government, and I think to destroy the respect entertained for the court itself. This I believe has been very much the effect of the collision which took place lately between the government and the supreme court in Bombay.

5307. Have you had any experience of the bad effect of settlement of Europeans, and what number of private settlers existed in the Ceded and Conquered Districts and in the Deccan?—In the Ceded and Conquered Districts I do not recollect, I think, more than one European; and in the Deccan I do not recollect any.

5308. None of the bad effects arising in those countries, arose from Europeans?—No.

5309. Are you not aware that a vast improvement has taken place in Calcutta and Bombay, where the great cause which produces this process is

4 Oct. 1831. in active operation?—I have no doubt that a vast improvement has taken place in Calcutta and Bombay, and I should say that I think great advantage would arise from the extended intercourse with Europeans in the interior, if due control were maintained over them.

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5310. If Europeans are subject to being punished by the court of law, for any act of oppression, why should there be any removal of them?—They have not been subject to the courts of law in the interior.

5311. Supposing they were subject to all the laws, as Englishmen are in Jamaica, and foreigners are here, do you see any objection to their being allowed to go out for purposes of commerce and manufacture?—No; I see no objection, provided they are subject to the laws of the country which they inhabit.

5312. Your idea of the necessity of supporting the deportation law, arises from your idea that they would not be subject to the laws?—I am afraid not. I think the prejudices of the natives would be constantly in danger of being outraged, if there were a great influx of the lower orders of Europeans. I do not mean the better orders.

5313. Do you give that opinion from an experience of what you have seen in different parts of India?—I form that opinion from what I have read of the effect of Europeans residing in Bengal, in the earlier periods of our administration, when great abuses took place.

5314. Are you aware, whether those statements were correct or not?—I speak of them as mentioned in historical documents.

5315. Are you aware that inquiry has been made within these six years, by the Bengal government, to ascertain what had been the state of the indigo planters and other Europeans residing there?—I am aware that their residence has been beneficial, but I refer mainly to an unrestricted residence of the lower orders.

5316. Are you not aware that it could only be individuals above the lower class, who could by possibility establish themselves in any part of India?—I conceive that the lower orders would go there under very great disadvantages, for labour is so cheap they could not be employed there in great numbers.

5317. Are you aware, from your own experience, that Europeans have never settled in India as labourers?—They never have as agricultural labourers; the climate will not permit it.

5318. Can they be employed otherwise than as superintendents, either in manufactories or commerce; and if so, can such persons be otherwise than useful?—I conceive that the better orders of European settlers would undoubtedly be useful.

5319. Do you conceive that any man who is not in possession of some capital, would find it worth his while to make his way out to India on speculation

culatation?—I believe those who generally go out to India, go out without any capital at all. They go out as adventurers, they borrow money of the agency houses in Calcutta, and settle themselves in the interior.

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5320. They have capital from other sources, have they not?—Undoubtedly, there are now many men of capital; but those who go out, usually go without capital, and as I said, borrow money of the commercial houses in Calcutta.

5321. Do you not think if those Europeans having capital at the presidency, had the means of employing that capital under the agency of persons on whom they could depend in the interior, benefit would arise from the promotion of commerce?—I have no doubt of that, and I think government has of late years afforded much facility to Europeans to settle in the interior.

5322. Would you yourself proceed to India, or being in India, commence a branch of business, where, as you knew, advances would be necessary in order to collect the means of commerce, with regulations existing, giving power to any government to send you, without any appeal, home; would you, under such circumstances, embark property to any extent?—Yes, because I have great confidence that the government, subject to the control of public opinion, would not use that extreme authority unless individuals so misconducted themselves, or deviated from the orders laid down for their guidance, in such a way as to endanger the security of the government.

5323. You have alluded to accounts you have read of the misconduct of Europeans formerly; do you not know that all those Europeans alluded to were servants of the Company?—Probably they were agents of the servants of the Company, at least many of them were so I believe.

5324. Have not, since that period, our judicial establishments been much increased and improved, and is there not a much greater control over every European wherever settled?—I rather think that the judicial establishments have little control over Europeans, beyond the power of fining them to a limited extent. For any aggravated offence the individual must be tried by the supreme court at the presidency.

5325. Is not every offence committed by an European reported by the parties offended?—I dare say it would be.

5326. If then all offences are reported, and if the judges have the power of punishing them in due course of law, the same as the natives, do you in that case see any danger from increasing the number of settlers in India?—If increased to a very considerable extent, I should think some further control would be necessary on the part of government beyond the regulations.

5327. How can Europeans be established to an unlimited extent; must not the means of employing them limit their number; and do you not know that the lowest passage to India is from £50 to £60, which must be a bar to a number finding their way there?—Yes; I do not think they could find their way in any great number to India.

4 Oct. 1831. 5328. Was not the misconduct you alluded to in Europeans, before the establishment of the supreme courts in India;—Yes, it was. I believe a mayor's court only existed at that time.
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5329. You suggest the expediency of extending the licensing system; have not the local government already the power of granting licenses?—I believe all the licenses issue from the Court of Directors or the Board of Control. Practically, great facilities have been granted of late years to persons desirous of going out.

5330. You would still maintain the power of deportation on the part of the government?—Yes; I think that to prevent the government being brought into contempt, the possession of that power is still essentially necessary.

5331. Do you consider that any person sent out by a merchant from England to conduct or manage any commercial affairs in that country, is of that class to be prohibited from settling there, he being subject to the laws of the country?—I think great facilities might be given to persons of that class to go out to India; I do not think persons of that description should be prohibited going out.

5332. You state that you think the government might be brought into contempt; what do you mean by bringing the government into contempt?—I allude generally to the lower orders of Europeans, who unquestionably would be in frequent collision with the natives of the country. The vast difference in their habits and customs would often give rise to broils between them, and these would lead to popular tumults, and eventually perhaps to insurrection, in which the native army would join, and there would be an end altogether of our Indian empire.

5333. From what you know of the Deccan, do you conceive it possible that an individual of dissolute habits could continue in that country for one month?—No; but we know they constantly do attempt it.

5334. The upshot of your opinion is, that if individuals were established generally in that part of the country, some increased police or magisterial power would be necessary?—I think we should require a magisterial power in every village. The lower orders look upon the natives with the greatest contempt, and usually evince that contempt by calling them “damned black fellows.”

5335. What are the lower orders of whom you now speak?—I am alluding to the allowing Europeans of the lower orders to go there and colonize.

5336. You say that the lower orders are in the habit of speaking with contempt of the natives?—Europeans, even of the middling orders, on their first arrival look upon the natives with great contempt, and not unfrequently apply to them the appellation I have stated, of “damned black fellows.”

5337. Are you speaking of Europeans who arrive upon the sea coast, or the

the Europeans employed in any way in the interior?—Even the young educated civilian or officer, I am sorry to say, has, on his first arrival, similar impressions, until he becomes better acquainted with the character of the natives. 4 Oct. 1831
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5338. You speak of colonization, do you suppose Europeans can ever colonize there?—I do not myself think they ever can, but that it is a system which has been recommended.

5339. A free settlement, but not colonization, has been recommended?—I think that the climate will not permit colonization to a great extent.

5340. Under the difficulties of proceeding to India, and finding employment there, would anything short of encouragement on the part of the government in India accumulate any number of Europeans likely to produce insurrection?—I conceive it is hardly possible, without encouragement on the part of government, that the lower orders can do it in any great number.

5341. Does no medium present itself to your mind between a total want of control over settlers of districts, and the present arbitrary system of licenses, whereby any man's existence in the country is at the will and pleasure of the governing authorities?—I think it would be extremely difficult to devise any medium system of control.

5342. When you speak of an extension of the licensing system, do you mean that the law ought to be altered under which licenses are now granted, or that greater latitude should be used by the authorities under that law?—I think greater facilities might be given by the authorities at home in allowing Europeans to go out; I believe those facilities have been very much extended of late, and, I think, provided an European be of respectable character, and gives good security, there can be no objection to allowing him to go out to India.

5343. Are you aware of the practice which has prevailed under the Act of the 53d Geo. 3?—I can only say that I understand much less difficulty has been made in allowing them to go out within these few years since the renewal of the last charter.

5344. Do you conceive that since the expiration of the last charter persons have been permitted to go out simply on the ground stated by you in your last answer?—I do not know practically what has been the case.

5345. During those few years you mention, in which you conceive facilities to have been given of going out to India, has any amount of manufacturing capital found its way to India?—I have resided very little at any of the presidencies myself; I have generally resided in the interior, and cannot speak from any knowledge of my own.

5346. Do you conceive it would be advisable for the interest of India, that, reasonable security being offered on the part of any persons wishing to proceed, their security should be refused?—I do not think that any ill consequences

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sequences could arise from individuals being allowed to go out to India under those circumstances.

5347. Do you consider the probability of a civil or military officer vested with power, or of a private European without power offering such insults to the natives as to produce disturbance or insurrection?—A civil servant, or a military servant using any arbitrary power, would be liable to dismissal from the service, and probably would be sent home in a very summary way.

5348. Do you not know, in your experience, of disturbances having taken place from dissatisfaction with the conduct of public servants in India?—I have understood there was an insurrection in Cuttack, which arose from a circumstance of that kind.

5349. Do not you think, that the persons who went out, would be persons whose interest it would be to be on good terms with the natives?—I should conceive, clearly, that it would be so.

5350. Were there any independent chiefs in the Deccan, who exercised sovereign power in those districts?—Yes, there were; the Rajah of Sattara was one; the whole of the Putwarden family and several others.

5351. You have already described the state of the management of those districts as being good?—Yes, generally so.

5352. Have the native gentry privileges not enjoyed by those of our own provinces?—Yes, the native gentry in the Deccan have; they were exempted from the rigid operation of our rules of courts; strict forms of process were dispensed with in a great degree, and their personal attendance was not always required.

5353. They were called sirdars?—They were.

5354. Was much personal intercourse kept up between the officers of the government and those sirdars?—There was a constant interchange of visits of ceremony, and the utmost freedom of access was given to them on all occasions. They would sometimes accompany us on our hunting excursions; and I have been invited to dine even with Brahmins, when I have sat down on the ground, in the native fashion, and partaken of their entertainment of rice and vegetables, served up in plantain leaves instead of plates.

5355. Were native gentlemen in the Deccan in the habit of visiting Bombay?—Very rarely so, I think from the apprehension of coming in contact with the supreme court, either from being sued themselves for debt, or from the quarrels of their servants or others, which might involve them in suits in that court.

5356. Are the jaghires in the Deccan hereditary, or granted for life?—Almost all jaghires are granted for life only, and I think the majority of those in the Deccan were considered life grants, always excepting those of the Putwarden family.

5357. With respect to the jaghires, in the event of lapses, what course should

should you conceive ought to be pursued?—Where they are not hereditary, I think that when they lapsed to government, they should be considered a fund for the reward of meritorious services.

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5358. The meritorious services of natives or Europeans?—Of natives.

5359. What is the effect on that portion of the Company's territories adjoining the independent chiefs, in encouraging men to commit offences, and fly to those places for refuge?—All the independent chiefs in the Deccan I allude to, are so far subordinate, that they are subject to the government; therefore, they would not be permitted to give asylum to any offenders.

5360. They are all tributary, are they not?—They are liable to be called upon for the service of a certain number of horse. I do not recollect any of them that pay tribute.

5361. None of them are allowed to harbour any persons who might be disposed to flee from British authority?—Certainly not; they are so far independent that they exercise the power of life and death on their own estates.

5362. What is your opinion as to the policy of levying the nuzzuranu?—The custom of levying the nuzzuranu is one which entirely accords with native usage, and was very much in practice in the Peishwa's time. It was a system which I myself recommended should be kept up under our government, as a legitimate source of revenue.

5363. Have the goodness to describe what it is?—The practice consists in levying a fine or fee on succession to estates of all descriptions, or on partition or adoption, the amount varying from fifty to a hundred per cent. of a year's income.

5364. Is that on the rules laid down, or arbitrary?—I stated the rules in a report I made to government, the substance of which will be found in the Revenue Selections (Vol. 3, pp. 815, 816). The principle which obtained during the Peishwa's government is shown, and I recommended certain rules, according to which the practice should be continued; but it was considered doubtful whether in a financial view the measure would be very productive to government, and I think it was finally considered that it would not prove so. The amount levied on an average of years in the Deccan was about a lac and 40,000 rupees annually, under the Peishwa's government; but a portion of that sum was derived from the jaghire lands of the Putwarden family, who, under the terms of our engagement with them, are now to be exempted from all nuzzuranu, and a considerable portion of the sum was derived from sowcars or private bankers, and may be considered a sort of legacy-tax on succession to property. The amount of the fine was quite arbitrary, and this was a defect which it was considered extremely difficult to remedy. As these items formed a considerable portion of the whole amount, government thought much benefit would not accrue from the revival of nuzzuranu.

5365. Were

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5365. Were the fines on succession arbitrary?—Entirely arbitrary. In a political point of view I conceive that an enlarged and liberal policy requires that we should continue all jaghires, wherever they would have been continued by the late government, although they are strictly life grants; whenever they are so continued it would be perfectly justifiable, and indeed it would be considered a boon by the jaghirdars, to continue the exaction of the nuzzuranu, because the taking it is tantamount to the recognition of the hereditary claim.

5366. Do you not know that it is an almost universal remark that the territories of the jaghirdars, and other small native chieftains throughout India, are in a more flourishing state than those of the Company?—I do not know that I have observed that generally, but with reference to the Deccan I believe that to be the case.

5367. You have not visited the Bhurtpoor or Rampoor districts?—No, I have not.

5368. Are not the tehsildars or native collectors invested with perfectly summary power of inflicting corporal punishment, and have they not been relieved from the necessity of keeping any record of the case and the punishment?—I rather think, under the existing regulations of Madras, they are permitted to fine to a certain extent, and to inflict a few strokes of the rattan; but those regulations have been introduced since I left the Madras establishment.

5369. During the time you were there, was such practice allowed?—The tehsildars were never allowed of their own authority to inflict corporal punishment, but they occasionally exercised it I have no doubt.

5370. Has there been any regulation respecting that since you left India?—The regulation I allude to is in the magisterial department, it has nothing to do with their revenue duties.

5371. What number of years would you consider a sufficient trial for the ryotwar system; would not you consider that ten years from 1820 to the present time was a fair trial of its effects?—I should think, after a survey had taken place, ten years probably would be a sufficient trial how far the rates were tolerably fair and equal.

5372. Then we ought soon to be in possession of facts to enable us to judge of its efficiency?—I conceive so. I believe the ryotwar system has been generally acted upon in the Madras territory since 1820, but in the Ceded Districts it was reverted to, as I have stated in a former part of my evidence, under great disadvantages, so that the good effects anticipated from it cannot be expected to result from it so soon as they otherwise would have done.

5373. In the Deccan you have observed the existence of private property in land under the name of meeras or wuttun; is not there a considerable quantity of that property in the Deccan?—Yes, a very considerable quantity.

5374. In

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5374. In India is not the existence of a private property in land or otherwise or the degree in which such property exists, a mere question of light or heavy assessment?—I think it is very much so; the meeras which prevails so generally in the Deccan was always subject to almost any assessment that government chose to put upon it, which very much destroyed the value of it.

5375. Does not that right become distinct and well marked where the assessment has been for a length of time steadily moderate?—Undoubtedly it does; and even where the assessment has been fluctuating, as it was in the Deccan under the native government, the meeras right has still continued, the meerassadars being exceedingly attached to this species of landed property.

5376. Where the Mahomedan power, or other strong arbitrary government has been long established, is it not true that the value of a private property in the land has been either greatly reduced by the gradual encroachments of the land-tax, or rent, or disappeared altogether by the total absorption of rent in that impost?—I believe that to be pretty generally the case.

5377. Has not the preservation of a private property, in the land or otherwise, been a good deal guided in various parts of India, by the more or less warlike character of the people, or in other words, their capacity or incapacity of resisting exaction?—I believe that a warlike character has sometimes opposed a limit to exaction.

5378. Has it not also been regulated by the strength or weakness, in a military point of view, of the character of particular countries, having been most perfectly preserved in mountainous ones, easy of defence from foreign invasion, such as Canara, Malabar and Travancore?—Private property has continued to prevail there much undisturbed, and probably from the causes which are mentioned.

5379. Whilst, on the contrary, in extensive plains, such as the table land above the ghauts, and the low plains of the Carnatic, where inroads of troops were easy, has not the property in land been very much reduced, if not destroyed?—Meeras land, if it ever existed, has been almost entirely obliterated in many parts of those countries, where we cannot trace its existence at the present day; I allude to the Ceded Districts of Madras, and the Southern Mahratta country, where meeras is not to be found at all.

5380. Was not a private right of property in the soil, as it exists in most parts of the Deccan, respected even by the arbitrary and rapacious government of the last Peishwa; and does there not exist in the public records a deed in which this prince is exhibited as a private individual, purchasing land immediately adjoining to one of his gardens, and where he is seen condescending to be enrolled as a common meerassadar?—The late Peishwa certainly did very much respect the right of meeras property, though it was occasionally, no doubt, infringed by him.

5381. What was the value of meeras land in the Deccan, during your administration

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5382. Was any land brought to public sale?—Never.

5383. In your report, dated the 24th January 1822, you have stated, that meeras land, yielding 200 rupees' worth of gross produce, would seldom be mortgaged for more than 100 rupees, the mortgagee paying the public dues on the land, which last is redeemable on liquidation of the debts, with such interest as may have been stipulated for. Supposing, in this case, the net land-tax to be thirty-five per cent. of the produce, as you have elsewhere stated, there would remain to the mortgagee but 130 parts; is it not to be inferred from this, that the land is hardly worth anything, and that it is on the security of the crop on the ground alone, that the money is advanced?—I have already stated in that report, that meeras land in the Deccan is assessed at least as high if not higher than the oopuree land, or land held by strangers not meerassadar; therefore it necessarily possessed very little value as saleable property.

5384. How would you estimate the value of the land there?—My estimate of the value of meeras land was formed from the opinions of the inhabitants themselves, who were collected together and questioned as to how many years' purchase they considered it worth.

5385. What is the highest value you have known for the purchase of meeras land?—I think I have stated, that I have heard of meeras land being sold for ten years' purchase; but generally speaking, the value of it was not at all equal to that amount.

5386. Is not the wuttundar or meerassadar of the Deccan, with some difference in degree, the same as the oolcoodee of the Tamil countries, and the khoodkasht ryot of Bengal, and the opuree the same party with the pycaree and pyckasht, or migratory tenantry of these countries?—I conceive that the tenure is very similar; but meeras as a private saleable property, is more distinctly recognized in the Deccan than it was in many of our old provinces, though not more distinctly perhaps than in Canara. With reference to the existence of meeras, I would take the liberty of referring the Committee to my report in the Revenue Selections of the 22d August 1822, commencing with the 107th paragraph.

5387. You are aware that land in this country values from twenty-five to thirty years' purchase?—I understand so.

5388. Must not the difference between that, and one and ten years, the value of land in India, depend entirely on the assessment levied upon it?—I conceive mainly so.

5389. Wherever land in India does not bear the value of a certain number of

of years' purchase, is it not fair to conclude that the assessment on that land has been too high?—I conceive so.

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5390. Might not a very good rule be laid down in future settlements in India, as to the amount of assessment, by the experience which has been acquired under such a settlement?—Yes, I conceive a very good rule might be laid down for that purpose; but to enable the government to follow that rule, its finances must be in a state to admit of reduction.

5391. Ought not every government, in whatever situation their finances are, looking to the permanent prosperity of the country and the continuance of their finances, to act on that principle?—There can be no doubt that it would be a very desirable principle to follow.

5392. Has it not generally been the case, that lands held by meerassadars are usually more highly assessed (the native government taking advantage of the attachment of the proprietor to his land) than the same lands when relinquished by them, and rented by oopurees?—I have particularly stated that in the course of the report to which I have alluded.

5393. Have you observed that the lands possessed by meerassadars are better tilled and more highly improved than those of tenants at will?—I conceive that they are. It becomes the interest of the meerassadar of course to give more attention to his land and to bestow more labour and capital on the improvement of it, always supposing that the rent is defined, which as I have shewn in my report that of the meerassadar never was in the Deccan.

5394. On that principle, would you not recommend in future that all settlements should be permanent, and rent fixed, in order to give an encouragement to proprietors to raise the value of property let to them?—Yes, I conceive that would be extremely desirable. It was the principle recommended by Sir Thomas Munro.

5395. Is it your opinion, that the great variations which have taken place in the amount of revenue of those districts, in a period of years, may have arisen from the want of that permanent settlement and encouragement to individuals occupying the lands?—It arises, I think, from the circumstance, that in almost all the districts we have had the management of, we have been obliged to make our settlements without any previous survey, we have made them in the dark, in an almost total ignorance of details, both as to the extent of the land and the rent to be drawn from it, and have very often fixed a great deal too high the assessment, in consequence of that ignorance.

5396. Is it not owing to the high rate of the government assessment absorbing the whole landlord's rent, both in the native and British territories in the Deccan; is it not almost always the case that the meerassadar is both proprietor and farmer, or that in reality the proprietor receives only the

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profits of farming, and not the rent of land, including under this last name both rent strictly so called, and the profits of the fixed capital invested in the land?—That I conceive to be generally the case.

5397. Had not meeras lands decreased in value since the British occupation of the Deccan, and must not this have been owing to the tax being proportionally heavier on these than on other lands, and to the cultivators having in consequence of such higher tax found it more profitable to cultivate waste lands, than to continue the occupation of the old lands in tillage?—Yes, I have particularly stated in my report, that oopuree land became nearly as valuable as meeras, from the circumstance that it was to be had on terms easier than that of meeras land.

5398. In Candeish, which had been long permanen'ly occupied by the Mahomedans, was it not found that no merassee existed, but what was attached to and inseparable from village and district officers; but was there not also found a class of ryots, who had a permanent right of cultivating the land, as long as they paid such dues of the state as were demanded of them?—In the greater part of Candeish, meeras right certainly did not exist; but there was in Candeish, as I conceive there is in every part of India which is well governed, a permanent right of occupancy. I do not conceive that the right of meeras amounts to much more than a permanent hereditary right of occupancy, on payment of the public dues.

5399. You mean from the rent being undefined?—Yes, from the rent being undefined.

5400. The definition of the rent to be assessed upon all meeras lands is essential in order to maintain their value?—I conceive quite indispensable; it was on that ground I particularly recommended a survey assessment on the land in the Deccan.

5401. You found in the Southern Mahratta country, or the Darwar collectorate and Beejapore, where no meeras right at all is to be traced, did you not, hereditary permanent occupants or tenants?—There is every where in India where I have been, a right of occupancy, so long as the public dues are paid. It has been frequently invaded, but the right has, in my opinion, always existed under good government.

5402. By what name are they distinguished, and what proportion now remains of the ancient proprietary, those who have rights of occupancy, and what name do they go by?—I do not recollect the particular designations. In the Deccan, I think, they are generally called thulkurees.

5403. As to those tenants who were considered permanent occupants, has not the value of their lands been very much decreased since the Company have increased the land-tax?—The Company not having, that I am aware of, increased the land-tax, the value has improved, I apprehend, since the Company's occupancy, because those tenants are less liable to exaction.

5404. You :

5404. You do not know what proportion to the whole cultivation they bear?—The proportion the meerassadars in the Deccan bore to the oopurees is stated in my report, before alluded to.

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5405. Did you not find that the uncertain tenure of tenants at will encouraged a vagrant spirit on the part of the ryots?—I conceive it has very much that tendency; an amazing quantity of waste land being to be had on very easy terms, the people are very much in the habit of going from one village to another in search of cheaper lands.

5406. Such persons are not in the habit of laying out capital on land, but of seeking fresh land?—Just so.

5407. Would not the opinion you have given with regard to the necessity of permanent settlements afford the best means of putting an end to that?—Yes; a permanent settlement, with a moderate fixed field-assessment.

5408. Would you contemplate a settlement for any certain number of years, or for ever?—I would, after a field assessment had been once established, declare it to be permanent for at least twenty-five or thirty years; I think that would be a sufficiently long period to encourage every sort of improvement.

5409. Would there be any objection to granting the land for the life of the individual, with perpetual renewal, and with a fine on succession, fixed within certain limits?—I cannot conceive there could be any objection to a plan of that kind. The permanent ryotwarree settlement as recommended by Sir Thomas Munro was very much on that principle, except that there was no fine. The only difficulty is, that the lower class of ryots are so poor that their circumstances are constantly changing. The loss of a bullock, or the death of a member of the family, induces them to contract their farm; or some fortunate circumstance encourages them to enlarge it. An annual adjustment therefore becomes necessary.

5410. Would not such a system produce a feeling of permanency in the possession, and therefore give him due encouragement to improve his land?—Undoubtedly; I think that principle has been fully stated and laid down in Sir Thomas Munro's permanent ryotwarree plan.

5411. Was not the revenue more easily raised from the jaghirdars, or actual proprietors, than from migratory tenantry; and if so, must not that be looked upon as a strong argument in favour of that system?—Undoubtedly the facility of collection is an argument in favour of it.

5412. Then if it is good for a period of years, would it not be better if conveyed for ever?—I should prefer a period of years, because I think that wherever we have laid down any permanent rules of that kind in India, we have generally hampered ourselves, and found reason for desiring to release ourselves from the engagements we have entered into on very imperfect knowledge and experience.

5413. If

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5413. If the uncertainty of renewing the possession of land prevents the application of capital and an improved agriculture, would not that evil towards the conclusion of every period be particularly felt?—Yes, I think it might have that effect.

5414. What other evil do you contemplate from making the settlement permanent?—I am rather an advocate for making it permanent; I conceive great advantages are to be derived from permanency, but as we very often adopt permanent arrangements on very imperfect information, I think we should not hastily lay down any plan of permanency.

5415. Your objection to the land being settled for ever in persons paying a fixed and moderate rent, depends more on the supposition of your not being acquainted with the real value of the property than any other cause?—Just so.

5416. If you had had the experience of ten years settlement of ryotwar settlement, do you not consider that you would then be in a condition to make a permanent settlement?—Yes, I should consider that period a fair trial of the survey rates of assessment, and sufficient perhaps to allow of inequalities being corrected under efficient management.

5417. What opinion did you form during your residence in India of the general character of the natives?—My opinion is, in general, extremely favourable to the moral character of the natives; in large towns, no doubt, they are extremely dissolute, as they are in large towns in every part of the world; but in the country, I think that the moral character of the natives stands extremely high in general.

5418. From your own experience, have you found them worthy of confidence in the different departments under you?—I have very often found many individuals highly deserving of confidence; but I think, generally speaking, that our revenue servants, from the inadequacy of their pay, are extremely open to corruption and intrigue of every sort.

5419. Have you found those who had the prospect of promotion by good conduct, more to be depended on than others?—Generally speaking, undoubtedly so.

5420. As regards your own domestic servants, have you found them honest and attentive?—I have scarcely a recollection of anything like dishonesty on the part of my own native domestic servants. On the contrary, you leave your writing desk open, with money or other articles in it, in the utmost confidence that nothing will be abstracted. The doors of your houses are left open; often during the night as well as day.

5421. What number of persons did you employ as native collectors, and what numbers did you dismiss for acts of misconduct or malversation?—I cannot state the number who were employed or dismissed, but the dismissals were extremely frequent.

5422. Did

5422. Did any abuses you discovered, depend much on the knowledge of the parties, that you had no sufficient check upon them?—I think they generally arose from their pay being inadequate to the trust and the responsibility of the office, and to the facilities they had of concealing and appropriating to themselves a part of the collections. 4 Oct. 1831.
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5423. Were your own private servants better paid than the public ones, and did you attribute to that the superior honesty and confidence you placed in them?—It is extremely difficult to state whence the difference arises, but a private servant has not the same temptations to dishonesty, nor the same facility that a public servant has, who is employed in collecting the revenue.

5424. In the public reports on the Deccan, the Brahmins, who conduct all the business of the country, have been described as an intriguing, lying, corrupt, licentious, and unprincipled race of people?—Yes, those are my own words; speaking of the Mahratta Brahmins, I think that is the character I should generally give of them.

5425. When in power, you add, coolly unfeeling and systematically oppressive; was this the class that chiefly composed the mumludars, cumavisdars, carcoons, and other officers of the public revenue?—That was the class employed in the Deccan. I think, generally speaking, the Mahratta Brahmins amply deserved that character. When I spoke of the moral character of the natives favourably, I spoke of them generally. The Mahratta Brahmins are a particular class, whose vices appear to have arisen in a great degree from the nature of the government they have been so long under.

5426. Were you able to converse with them in their native tongue?—Yes, I was.

5427. Did you find them quick and ready to learn other languages than their own, for instance the English language?—The Mahratta Brahmin, I think, generally speaks not only his own language, but the Hindoostanee, and is quick at learning anything. I do not recollect more than one or two of them having a knowledge of English.

5428. It is not considered necessary?—It is not.

5429. Are the proceedings of the court in the Deccan carried on in the Mahratta or the Persian language?—In the Mahratta.

5430. What is your idea as to the difficulty of introducing the English into India generally?—I do not know that there would be any insurmountable difficulty, but I can hardly conceive there is any necessity or use in it further than that it would give them an opportunity of learning European sciences.

5431. Are not many of our European officers not fully acquainted with the languages of the countries where they reside, and if the natives were to speak English, would they not be thereby much less open to abuse and corruption?—I think, generally speaking, our civil officers are never appointed to any responsible charge until they have acquired a proficiency in the native

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native language, therefore I do not exactly see the necessity of the natives learning English to enable us to transact business with them.

5432. Do you not conceive it would be beneficial to have one language if possible for the whole government business to be conducted in?—It might possibly be an advantage, but it is an advantage which can never be attainable, I think.

5433. Do you not think if the natives were open to different offices, and one of the requisites for that were the English language, that the young would be brought up with an education in English?—I do not think myself it would be an advantage; those who have a knowledge of the English language, in general are persons from the presidencies, who bring with them extremely corrupt habits; I have seldom therefore myself employed them as agents in the interior.

5434. Does not that arise from their residence in seaports, and their being contaminated?—Yes, no doubt.

5435. Is there a public regulation of the Madras government which excludes all Christian natives from the principal employments which may be held by natives?—I am not aware of any such regulation.

5436. Did you, in point of fact, ever employ any Christian natives in the public service?—Frequently, as clerks and copyists. In my public office I had many of them, and there are other situations in which they are employed in different departments.

5437. Were there many of the East Indians or half-castes in that part of India where you were?—None, except the few I have described as being employed in the way I have mentioned.

5438. Do you not conceive that they who are intimately acquainted with both languages might be beneficially employed in India?—There are several departments in which they may be beneficially employed, but I should think that their employment in the judicial or revenue line was not, generally speaking, expedient, because the higher order of natives look upon them as an inferior class of persons.

5439. Are not the natives disposed to so look upon them from their being so looked upon by Europeans themselves, and would not their employment in official situations soon alter their opinion?—It is difficult to say what might be the effect of that.

5440. Can Christians become tehsildars?—I believe there is no regulation to prevent it.

5441. Have you ever known any employed as such?—I cannot recollect that I have; I think I have heard that Mr. Sullivan had a Christian employed under him in a high office.

5442. The Committee have no further question to put to you, but would be glad to know whether there are any suggestions you would make on any topics,

topics, which have or not been touched upon?—I am not prepared to offer to the Committee any suggestions further than to recommend, as far as I am able to do, the expediency of making throughout our territories, the land assessment as light as the finances of government will admit, but above all, to fix the limit of the field assessment, as the only sure means of affording protection to the ryot, and providing against mal-administration. This I presume to be the grand secret for the good government and the maintenance of tranquillity in India.

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5443. Upon the whole the Committee are to understand that the more you have seen of the natives, the better your opinion of them?—I have always formed a good opinion of the native character generally; I think they will bear an advantageous comparison with the natives of any country in the world.

Jovis, 6^o die Octobris, 1831.

THE two following Petitions, which were presented to the House on Thursday the 1st day of September last, and referred to this Committee on Monday the 3d day of this instant (October), were read:

6 Oct. 1831.

Petition from
Bombay.

The humble Petition of the Hindoos, Parsees, and Mahometans, Natives of the East-Indies, and Inhabitants of the Island of Bombay, sheweth,

THAT your Petitioners beg to be permitted to offer to your Honourable House our grateful acknowledgments for the many testimonies we have had of your solicitude to promote our welfare and happiness. We are satisfied that our representations for the amelioration of our condition in society, and for the improvement of our political institutions in India, will be listened to by you with patient attention, will have your unprejudiced consideration, and that it will ever be your desire, that all the subjects of our gracious Sovereign, in whatever region they may be, shall be fully protected in their lives, their personal liberty, their character, and their property.

We beg your Honourable House to take into your consideration, the expediency of rendering all His Majesty's subjects, being natives of India, eligible to serve on Grand Juries; and further, to introduce and establish the Trial by Jury in Civil cases, in his Majesty's Courts of Justice at the three Presidencies in India, and to render the Natives of India eligible to serve on those Juries. Already the Natives of India serve on Petit Juries, in all criminal trials in His Majesty's Courts in India; and the Supreme Court of Judicature at Bombay has acknowledged their utility on those trials. Of all trials, that by a petit jury for crimes is the most important; and when the Natives of India are declared by Parliament to be qualified to serve as jurymen on those trials, and experience has proved their utility, we venture humbly to submit to your Honourable House that there is no sufficient reason to exclude them from Grand Juries and Petit Juries in civil causes. Whether before a Grand Jury or a Petit Jury in the Court of Oyer and Terminer, or a Jury in plea causes, the subject

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under investigation generally embraces transactions of a local nature, and the witnesses are principally Natives of India. To ascertain the intention of the witnesses, and the degree of credit that is due to them, in order to pronounce a true verdict, a knowledge of the languages of the country, of local usages and customs, civil and religious, and of general character, we presume to suggest, is as much required before a Grand Jury, and before a Petit Jury in civil causes, as before a Jury on trial for crimes.

We beg your Honourable House also to take into your consideration the expediency of rendering His Majesty's subjects, the Natives of India, qualified to be His Majesty's Justices of the Peace for the several Presidencies in India, and the territories subordinate to them respectively. We admit an objection to arise, from a want of knowledge in the Natives, of the laws administered by Justices of the Peace; but that objection may be obviated, by declaring that all their acts, as Justices of the Peace, to be valid, shall be in conjunction with a Justice of the Peace who is a British subject. Since Parliament has declared the Natives of India, under the advice of the Court, to be qualified to serve on Petit Juries, on trials for crimes, it surely may be allowed to us to argue that they are qualified to act as Justices of the Peace, in conjunction with one of His Majesty's British subjects.

We see no reason to dissemble, and we avow to your Honourable House, that one of our reasons for soliciting to be eligible to serve on Grand Juries, and on Juries in civil causes, and to be Justices of Peace, is to diminish the odious distinction that separates us from His Majesty's British subjects; that pronounces us an inferior and degraded class in society, and unworthy of the confidence of our gracious Sovereign and of the Government.

We beg your Honourable House to take into your consideration the system for the administration of justice in the interior of British India; it is eminently defective—it affords no adequate protection for the rights of property,—it affords scarcely any protection from personal wrongs—and in particular from false imprisonment, when committed by persons possessing public authority. Your Honourable House are perfectly sensible how much life is embittered by personal wrongs, and especially by false imprisonment. It is true, that by Acts of Parliament, and by the Charters of the Supreme Courts in India, actions for damages will lie in all those courts for personal wrongs, including false imprisonment, committed by His Majesty's British subjects, or Natives of India in their service; but it is probable, that at a distance of thirty miles from each of the Presidencies, there is scarcely a Native of India who has the slightest knowledge of those Acts of Parliament and Charters; and if they were known, the immense distances from His Majesty's Courts in India, would, in most instances, prevent application to them for redress. At present, we are inhabitants of the Island of Bombay, but many of us have families in the interior of the British territories in India, and all of us, for trade, pilgrimages, and other purposes, occasionally leave the Island of Bombay, and at once are under the judicial administration that is in force beyond this Presidency. We purposely decline a statement of particular instances of grievances by the judicial system in the interior of India, our objections apply to the system itself.

We beg to be excused entreating the attention of your Honourable House to the very extraordinary situation of His Majesty's subjects, the Natives of India. The dynasties that have been conquered by the British arms in India, were only of short duration; scarcely one of them had been in existence more than a century—we allude to the Nabob of Bengal, Babar, and Oriza, the Nabob of Arcot, Tippoo Sahib, and the Paishwa, there was nothing venerable in the remote antiquity of those dynasties; the Natives of India had no other attachment to them than what arose from their possession of power. The strength of the present generation did not exist when the

Nabob

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Petition from
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Nabob of Bengal, Bahar, and Orixá, the Nabob of Arcot, and Tippoo Sahib, were conquered. In another quarter of a century few of the natives who were the subjects of the Paishwa will be alive. The immense population, calculated at upwards of sixty millions, which inhabits those conquered empires, now look for protection and happiness to the British Government alone. They have no sentiments of hostility to the British Government; they have no hopes but what arise from British institutions; it is their wish to possess and to merit public confidence; and under the auspices of your Honourable House, and the enactments of Parliament, to be declared eligible to fulfil and execute all civil offices throughout British India, judicial, financial, and territorial. We presume to suggest to the consideration of your Honourable House, that the time is at length arrived, when the public institutions throughout the territories in British India ought to be adapted to the permanent continuance of the British authority over them. Your Honourable House will not believe that a population of upwards of sixty millions does not contain within itself talent, assiduity, and integrity, to justify their being largely admitted into the execution of judicial, financial, and territorial offices. We refrain from enlarging on the numberless advantages, in policy and in morals, both to the United Kingdoms and to British India, from the Natives of India being extensively admitted into those offices. The philanthropy and wisdom of your Honourable House, are our guarantees that all will be done that can be done, to make the situation of being his Majesty's subjects in India, the cause of congratulation to all the Natives of British India.

We have great pleasure in acknowledging our obligations to your Honourable House, for your undeviating attention and anxiety to secure to the Natives of British India, the full and free enjoyment of their respective religions.

And your Petitioners, as in duty bound, will ever pray, &c.

[Signed by Ninety-five respectable Native Inhabitants of Bombay.]

Bombay, 31st December, 1829.

A PETITION of the undersigned Christians, Hindoos, Parsees, Mahometans, and Jews, Natives of His Majesty's Territories in India, and Inhabitants of the Island of Bombay; sheweth,

THAT it is with confidence and satisfaction that your petitioners address themselves to your Honourable House: it is to Parliament that the natives of His Majesty's territories in India are indebted for the public institutions intended to prevent injury and insult to them, and to raise them in the ranks of society; and we acknowledge with gratitude, the efforts of your Honourable House to promote those good purposes. It is principally to inquiries pursued by your Honourable House, that the Natives of India owe their earliest protection from injustice and degradation, by the establishment of the Supreme Court of Judicature at Calcutta. From that origin have successively proceeded the Recorder's Courts, and the Supreme Courts of Judicature at Madras and Bombay; those courts have ever fulfilled the duties entrusted to them by our Gracious Sovereign Lord the King; they have acquired the confidence and esteem of the Natives of India, and attached them to the British Government. At Calcutta, Madras, and Bombay, are the most numerous assemblages of the Natives of India, and of foreign countries in Asia; they are of every variety of religion, caste, and sect;

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diversified in sacred rites and observances, and in social manners and usages. The Supreme Courts of Judicature, where they have jurisdiction over the matter to be tried, whether civil or criminal, have also power to summon witnesses, and to execute all their orders and judgments, whether by arrest of the person, or by seizure and sale of property, throughout the whole of the territories under the Presidencies at which those courts are respectively established. Those courts, in the execution of their processes and orders, have always been scrupulously observant of the religious doctrines, rites, and observances, and of the manners and usages of the Natives. The experience of more than half a century at Calcutta, and of more than a quarter of a century at Madras and Bombay, has proved that life, property, character, and personal liberty, can be protected by His Majesty's Courts of Justice, without violation of the religions, manners, and usages of the Natives. We appeal to that evidence, to contradict erroneous reports, which have been sedulously propagated, and have too long been acquiesced in, that the introduction of courts of justice into India, strictly administering the law for the protection of life, property, character, and personal liberty, is incompatible with the religions, manners, and usages of the Natives, and would be highly offensive to them. Miserable indeed would be the condition of mankind, if the duties of judges could not be executed without offending the religions, manners, and usages of those over whom they have jurisdiction. Reports also have long prevailed, and been acquiesced in, that the religions, manners, and usages of the Natives of India repelled their employment in judicial functions, and that they had not capacity to perform them. The unprejudiced mind of Sir Alexander Johnstone controverted the truth of that report; and the experience of five years at Calcutta, Madras, and Bombay, has demonstrated the willingness of the Natives to aid in the administration of justice, even in the unpleasant office of jurors on trials for crimes, and their utility as jurors has been repeatedly declared by the Supreme Court at Bombay.

By the Charters of Justice of all the Supreme Courts of Judicature in India, and of the former Recorders' Courts at Madras and Bombay, all British subjects, and all Natives who, directly or indirectly, are employed in the service of His Majesty, or of the United Company of Merchants trading to the East-Indies, or of any of His Majesty's British subjects, are subject to the civil jurisdiction of those courts, in all actions for wrongs or trespasses; and the same persons, by the Acts 4 Geo. 4, c. 71, and 9 Geo. 4, c. 74, and the Charters of the Supreme Courts, are subject to the jurisdiction of those courts, for the crimes specified in 9 Geo. 4, c. 74. In those provisions we recognize the wisdom, justice and humanity, of our Gracious Sovereign Lord the King, and of the two Houses of Parliament. It was apprehended that persons exercising public authority would injure the Natives, and for civil torts and for crimes the whole of them are placed under the jurisdictions of the Supreme Courts. But those laws have been little more than a dead letter: they are unknown, except at the Presidencies and in their vicinity. We therefore earnestly entreat, that whatever laws may be enacted for the amelioration of the condition of the Natives of India, that effectual means may be provided to ensure the real and practical utility of those laws, and that they may not be, as some Acts of Parliament have been, mere nominal benefits to the Natives.

By several Acts of Parliament, the governments at Calcutta, Madras, and Bombay, have authority to frame Regulations for the Provincial Courts, and which His Majesty in Council may disallow or amend; and if not disallowed within two years, they are to be of force and authority to direct the Provincial Courts, according to the tenor of the said amendment; and those Regulations are annually to be laid before the two Houses of Parliament. In those enactments we again perceive the desire of Parliament to benefit the Natives of India, by administering justice to them according

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to their own laws, and with a scrupulous attention to their religions, manners and usages; and the governments in India, from a supposition of their having the most correct knowledge on those matters, were entrusted with the execution of that power, subject to the revision of His Majesty in Council. But that power has been the great cause of the degradation of the Natives. The uniform construction of those enactments has been, that it authorizes the governments in India to make and repeal laws, civil and criminal; to make and annul courts of justice, civil and criminal, and to legislate absolutely over the Natives residing beyond the ordinary jurisdiction of the Supreme Courts, wherever there is no specific enactment of Parliament on the subject. It is from the existence of that power, that laws have been enacted for the Natives, and courts of justice established to administer them, that have stamped upon the Natives of India the character of a conquered, distinct, and degraded people. The Criminal Code in force under this Presidency, is among the records of your Honourable House, and we refer to it in confirmation of our assertions, that it is vague in its language; that it regulates too much in detail the actions of the natives; that it abounds in severe discretionary punishments, by way of fine or imprisonment, or both; that it has an endless repetition of commutation of imprisonment for a fine; that the truth of facts is left to the decision of the British Judge, without any effectual control in persons of the description of the accused; and that the Judge has no sympathy with the persons subject to his criminal jurisdiction. Throughout the judicial regulations of the Bombay Government, there is not one on the principle of the writ of *Habeas Corpus ad subjiciendum*: and we believe that the same observation applies to the judicial regulations framed by the governments at Calcutta and Madras. Your Honourable House well understand the extensive range of human happiness that is protected by that writ: all there is in strong contrast with the criminal jurisdiction at the Presidencies. The gentlemen appointed judges in the courts, civil and criminal, are extremely deficient in the knowledge necessary to perform their duties. Courts of justice are principally constituted for the security of life, of property, of character, and of personal liberty; and your Honourable House well know the great and various qualifications that are required in a judge, to perform those duties. But the judges of the Provincial Courts, Civil and Criminal, have no strong motive to stimulate them to acquire those qualifications. This is a fundamental and incorrigible vice in the judicial system. The change from one department of the civil service to another, is also too frequent to admit the acquisition of the necessary ability in the judge: at one time he is in a ministerial office at the Presidency; at another, he is in the judicial department in the Provinces; at another, he is in the collectorate in the Provinces; and at another, he is in the political department. At this time, the Chief Judge of the Sudder Dewannee Adawlut, and the Sudder Foujdaree Adawlut at Bombay, that is, of the Supreme Courts of Appeal in Civil and Criminal cases, is a gentleman who never was in the judicial department until he was made the Chief Justice of those courts. The Civil Courts are also extremely defective, from the almost total absence of the intelligence of the Natives, in the ascertainment of facts. The defects in the judicial system, which we have noticed, we presume to hope, would attract the attention of your Honourable House, even if the judges always meant to do right; but the truth is, that those judges are the principal instruments of wrong, particularly of false imprisonment, to the Natives; and those acts of injustice are committed with ostentatious indifference to the feelings of those who suffer, and to the opinion of the Native community. We particularly allude to the false imprisonment of Balloo bin Hurryram Sinday, Hindoo; of Rursord Kessowjee, Hindoo; of Narroba Govind Oughtia, Hindoo; and of Dhondoo Bullol, Hindoo; all proved in the Supreme Court of Judicature at Bombay. The two former committed at Tannah, within 15 miles of the Island of Bombay; and the other two

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at Poonah, within 100 miles of Bombay, and between both which places and Bombay there is a constant intercourse. It is therefore no exaggeration in us to affirm, that the laws administered to the Natives beyond the Presidencies, and the Courts of Justice appointed to administer those laws, stamp upon the Natives the character of a conquered, distinct, and degraded people.

It is true, that the impartiality in the Courts of Justice, that we have presumed to solicit and enforce, will be offensive to some of the connections and adherents of former sovereigns, who had privileges in some respects exempting them from the jurisdiction of courts of justice: as for instance, the Sirdars in the Dekan, whose privileges have been conceded to them by a regulation of the Bombay government, Regulation 29, A.D. 1827. But we are sure that your Honourable House will not expose the meanest of His Majesty's subjects in India to injury in life, property, character or personal liberty, in complaisance to the vicious pride of those personages.

We implore your Honourable House, earnestly and without prejudice, to reflect on the condition of the Natives inhabiting His Majesty's territories in India; in number they exceed sixty millions; the greater part of them are His Majesty's natural born subjects, and almost all the rest are denizens. This immense population, who have strong, natural and legal pretensions to participate in the advantages of society, are almost entirely excluded from offices of trust and emolument. It is impossible for your Honourable House to credit misrepresentations, obviously originating in prejudice and self-interest, that confound the whole Native population into one mass of ignorance and corruption. The Natives of the territories now British India, were highly civilized, and by their various manufactures, largely contributed to the splendour of Thebes, of Palmyra, and of ancient Alexandria, when the inhabitants of one of the most powerful and illustrious kingdoms of modern Europe, lived in woods, and fought with bows and arrows and clubs. Whatever injury has been done to their understandings and moral principles, by the long continuance of despotism, will easily and rapidly be rectified by courts of justice, intelligently and impartially administering justice among them; and by their admissibility into honourable and profitable offices in the judicial, territorial, and financial departments, being made to depend on their intellectual and moral character. The dynasties of the sovereigns of the territories conquered by the British arms, were of very short duration; those sovereigns never had a strong hold on the affections of their subjects, and since those conquests, the Natives have always manifested a desire to coalesce with the Crown of the United Kingdoms; their wishes to do so have been repelled even with contumely. Upwards of sixty millions of His Majesty's subjects are at this time disjointed, loose and floating on the surface of India. Nothing is more easy than to consolidate this immense population into one mass of cohesion with His Majesty's territories; administer justice to them wisely and impartially, and reward intellectual and moral merit, with honourable and profitable offices, both at the Presidencies and in the provinces, and the principle of cohesion will circulate through the whole body.

With a view to the same principle of cohesion, we venture to suggest, that it is highly politic to introduce the English language into the vernacular languages of India; and with that intention, for Parliament to enact, that no native after the period of 12 years, shall be admissible into any office in the judicial, territorial, or financial departments, unless his competency in reading, writing, and speaking the English language, has been certified by a committee appointed for his examination. The children of the Natives of India have great aptitude in learning to read, write, and speak the English language. Since the institution of schools for the instruction of the Natives in the English language, under the advice and patronage of the Honourable Mountstuart Elphinstone, Governor of Bombay, many of the children
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of the Natives read, write, and speak the English language with facility and fluency. Besides the principle of cohesion which we have noticed, a knowledge of the English language extensively dispersed among the Natives of India, will afford great facilities for the future improvement of the judicial system in India.

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Illustrious legislators, benefactors of the human race, your persevering and intelligent exertions to abolish the trade in slaves, have spread the fame of your humanity over the whole world. The destiny of upwards of sixty millions of human beings depends upon your councils; they are the natural born subjects, or the denizen subjects of your own Sovereign. We are sure that you will be eager to redress the wrongs we have submitted to you.

Knowing, as we do, the propensity to misrepresentation that will be active against the Natives of India, and that it will be suggested, that this petition does not contain the real opinions of all who have signed it, we have taken the liberty to subjoin to it, a translation into the Goozarattee and Mahratta languages, the languages in most frequent use in Bombay; and if in having so done, we have transgressed any of the rules of your Honourable House, we crave your indulgence and pardon.

And your Petitioners, as in duty bound, will ever pray, &c.

[Signed by a Committee of four persons, and by upwards of four thousand respectable Native Inhabitants of Bombay, of every religion.]

Bombay, 25 January, 1831.

Then Major General Sir LIONEL SMITH, K.C.B. was called in; and examined.

5444. How long have you resided in India, and in what parts?—I was altogether twenty-two years and three months, in the western side of India.

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5445. In which service were you?—In His Majesty's military service.

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5446. Were not you a considerable portion of your time in command of detached corps, which brought you very much in contact with the natives of the country?—For six years of that time I was in Bombay, but very much employed in foreign service in different expeditions, in the Isle of France, the Persian Gulf, and different places; and the remainder of that time I was in the Deccan, with another exception of an expedition up the Persian Gulf.

5447. In the commands you had in India, had you not necessarily much intercourse with the natives of all classes?—I believe I may say I had as much intercourse with them as any officer who neither held any political or civil situation.

5448. Do you speak any of the languages of the country where you were?—Very little.

5449. Hindoostanee?—Very trifling; I could not say that I could converse in it with fluency.

5450. Have

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5450. Have you perused two petitions presented lately to the House of Commons from native inhabitants of the island of Bombay?—I have.

5451. Have you seen the list of the petitioners?—I have; I know a good many of the natives who have signed them.

5452. Do you consider the petitions to express the genuine sentiments of the petitioners?—I should certainly think so with regard to Bombay. I have doubts whether they express fairly and candidly the opinion of the people of the Deccan. I have no doubt at all with regard to the island of Bombay, that it expresses the real feelings of the community.

5453. Are you aware that the native inhabitants of Bombay were declared a few years ago qualified to serve as petit jurors in all criminal trials in His Majesty's courts, and if so, can you inform the Committee how they have conducted themselves since they were so appointed?—I have never attended any trial so as to enable me to speak from personal knowledge, but I have understood that they discharged their duties very usefully.

5454. You are aware, that by the Act of Parliament which renders them eligible to serve as petit jurors, Mohammedans, Hindoos, Parsees and others, are expressly excluded from serving on juries for the trial of Christians of whatever denomination; do you consider this restriction as judicious or otherwise?—I consider that very injudicious; I think they have attained a sufficient degree of intelligence to be admitted to all the privileges of jurors; that is, the inhabitants of Bombay; I beg to be understood as not speaking of the people of the Deccan, who are a totally distinct race at present, in knowledge and prejudices.

5455. Do you consider that there are a sufficient number of natives within the island of Bombay, capable from their knowledge, integrity and intelligence, to serve as grand jurors on trials?—I should say certainly there are a number of remarkably intelligent well-educated men among them at Bombay, particularly the Parsees.

5456. Are there many natives of Bombay possessing a competent knowledge of the English language?—Yes; I should say so, nearly the whole of the Parsees speak English; the twenty-two years I have known them, they have invariably educated their children in English, and they can read and speak it as fluently as many Europeans, many of them.

5457. If there were a regulation of government, that no native could be employed in any way under government, unless qualified by their knowledge of English reading and writing, do you think that would soon lead to the general education of the higher class of the country?—It is in such extensive progress now, I hardly think it could be more extended; they are educated universally in it; undoubtedly it would be a very great advantage to them.

5458. Do you apply that observation to Bombay only?—To Bombay; education

education is also going on in the Deccan, but it is quite in its infancy ; they are quite a different people.

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5459. Is there any encouragement given to them?—A very liberal establishment by the government, under the direction of an officer of very great attainments in the native languages, Captain Jarvis.

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5460. When you speak of the Deccan as an exception to the island of Bombay, do you confine yourself to the territories latterly acquired from the Peishwa, or extend it to other parts?—I confine my observations to the country I am best acquainted with, the western side of the Deccan, the territories of the late Peishwa.

5461. You do not consider yourself competent to speak of what may be the disposition or qualification of the natives in other districts, that have been longer under the Company's government?—There are none in that country that have been longer under the Company in the Deccan.

5462. Have you been in the Guzzerat district?—I have, but not sufficient to enable me to speak of the people ; they have been much longer under British influence, and have had a greater intercourse with the British, and I should think they are a very different people from what they are in the Deccan.

5463. You have stated there is a disposition among the natives of Bombay to acquire the English language ; are there any of them who have a taste for and a knowledge of English literature, such as is possessed by the Brahmins, and other inhabitants of Calcutta?—I should say quite as much or more than the Brahmins ; I consider the Parsees have more pride, and have taken more pains to understand English and all its laws and institutions, than any other class of persons in India, I should say they were by far the most intelligent ; Hindoos are also educating very fast, but I do not think they have made that great progress which the Parsees have.

5464. Are you aware that the intercourse with Europe, and the commerce with that part of India where you have been, has very considerably increased since 1814?—I really am not able to answer that question with any degree of satisfaction to myself ; I do not think, from what I have heard of Bombay, that there has been so much prosperity among the native merchants of late ; I do not think they are so rich and so independent as when I first went there ; *they were* immensely rich ; whether that has been from the failure of general trade I cannot say.

5465. From the intercourse you have had with the natives, how do you estimate the respective degrees of knowledge and intelligence possessed by the Parsee, Hindoo and Mohammedan inhabitants of Bombay?—I should say the Parsees decidedly are the most intelligent ; the next, the Hindoos ; the Mohammedans, generally speaking, are not so industrious, and have stronger prejudice against sending their children to school.

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5466. In one of the petitions it is suggested, that "it is highly politic to introduce the English language into the vernacular languages of India, and with that intention, for Parliament to enact that no native, after the period of twelve years, shall be admissible into any office in the judicial, territorial, or financial department, unless his competency in reading, writing, and speaking the English language has been certified by a committee appointed for his examination." Are you of opinion that the measure here suggested would add efficiency to the administration of justice, and by extending a knowledge of our institutions among the people of India, contribute to the consolidation of our dominion over them?—If gradually introduced, and the parties were carefully selected, I should say it would be an excellent thing; it is what must be done ultimately, and the sooner it is commenced the better.

5467. How would you propose to limit it?—By the talents, by the competency of the parties themselves, I think that should be looked to.

5468. If it is good for a few to know the language, would it not be better for all, looking to the general intercourse with their governors?—Undoubtedly; but I would have it done by degrees.

5469. The question refers to the education?—That would be very desirable.

5470. You concur in the propriety of increasing their intercourse with Europeans?—Decidedly; I think that ought to be done; it is what you must yield to them ultimately, and a great deal more.

5471. Will you explain what you mean by a great deal more?—Giving them all the privileges of English subjects in other parts of the world; not keeping them down with a distinction of colour, and because they are natives that they should be kept out of all the benefits of the administration of the laws of their own country.

5472. You conceive they should have the benefit which all British subjects have in legislation, or in institutions; that they ought to participate?—Yes; but gradually introduced. I would not take too many at once in the present state of the country; but I would let them feel that they are open to them.

5473. Having visited different parts of India, how do you estimate the degree of knowledge, intelligence, and integrity possessed by the better classes of the inhabitants of Bombay, in comparison with the better classes of the inhabitants of such of the provinces in the interior as you have visited?—I should say, certainly, the presidencies would give the most intelligence; the Mahrattas, whom I am best acquainted with, are naturally a very intelligent people, but they have been for ages in fact a military people, and a very lawless set, arising from the bad governments which were then over them, so their intelligence is not yet of a nature to apply to all uses.

5474. Would not the introduction of our general instructions, and the extension

extension of our commerce to those districts, gradually remove that lawless, martial spirit which has existed under their former government?—Undoubtedly it would; but that ought to be done very gradually, for this reason, the jagbirdars and all the military classes are not some of them the best disposed; a great many of them still correspond with Bajee Row, and I think any too rapid change in that country from a military one, might tend to bring the government of the country into contempt; they are not prepared for them.

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5475. You allude to Bajee Row, he is the late Peishwa who is now in exile?—Yes? he is a very clever and artful man, and would take advantage of any opportunity which offered.

5476. In the gradual introduction of the civil institutions of Great Britain, would you consider it desirable that they should be introduced partly by native agents in conjunction with Europeans, or entirely by European agency?—I should mix them certainly, by preference. I am a great advocate for bringing the natives forward. I think that would show them they have much to expect.

5477. You would prepare by the general introduction of the English language?—Yes, certainly.

5478. In one of the petitions, the native inhabitants of Bombay solicit to be rendered eligible to serve as justices of the peace, in connection with Europeans; have you known any individuals whom you consider from knowledge and integrity capable of being entrusted with the commission of the peace, acting as the petition claims, in conjunction with a British-born subject?—I do know many natives, and I think it ought to be conceded to them. Comparing small things with great, before I came away from Poonah, in a little charitable institution I got up, and to which all the natives subscribed, I sat in committee myself with some native shopkeepers, and people of that kind. It was necessary to set an example: they are always humble, and they were every way respectful; we took orphan children to educate, and I was afraid they would take prejudice that we intended to make Christians of them. They were remarkably intelligent, and gave me a great deal of useful information how to conduct it; I would not scruple myself as to trusting them with magisterial authority.

5479. Do you think they would be useful as magistrates?—I think they would.

5480. Did you not find them very shrewd in the examination of witnesses, and searching out the truth?—The only way I can judge of that is, by native courts martial, where they are remarkably so; the native sepoys are tried by natives, and their spirit of research is, I might say, quite equal, if not superior to that of European officers.

5481. You have had a great deal of experience, enabling you to know the character of native officers?—I have.

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5482. You have had also great means of knowing what Europeans officers have done?—I have.

5483. Speaking of the conduct of both deliberately, what is your opinion of the comparison?—I think, generally speaking, natives officers are on all questions of evidence, and certainly in reference to their own customs and laws, infinitely more to be depended upon than European officers.

5484. Are they educated much?—No, I am sorry to say they are not; the officers of the native army rise from the ranks invariably, and there are very few of the present age who are very well educated, but their intelligence is still remarkable.

5485. From what class of people are they taken?—All classes except the Parsees, who never enter into the army, but there are Mahometans, Hindoos, Mahrattas, high and low caste.

5486. Are the native officers much inferior in education to the shopkeepers in Bombay?—Yes, I think they are; there are great pains taking with the native regimental schools now, they will improve, but all the present race I consider certainly inferior.

5487. What means of education are there now of the native regiments in the west of India?—There are native schools established under the protection of government.

5488. Are they very generally attended?—All the boys are obliged to go; there is no compulsion necessary, they are very anxious, very willing, very ready.

5489. There is not found any religious prejudice to prevent their going?—No; we never interfere with their religion, they have native school-masters.

5490. Is it your opinion that the future class of officers will be much more intelligent?—Sir John Malcolm established allowances, to give to the sons of natives officers something superior; formerly the great objection of native officers to let their sons come into the army was, that they were obliged to come in as boys (there being so many allowed to each regiment) and there was no distinction between the sons of sepoy and officers. Sir John introduced a regulation by which there are ten or eleven native officers' sons in every regiment, who get something superior to reward their application, and have more means of study, and are not to be punished: the great objection was, that they were liable to corporal punishment, and the native officers would not permit them to come in in consequence, but by the recent regulation no native officer's son can be brought to corporal punishment.

5491. Are the prejudices of the native officers very much against corporal punishment?—I do not suppose, in its general application, they care much about it, but they did not like it as to their own sons, they thought it degraded them.

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5492. Do you think that the education of the native officers in the English language and English institutions, will render them more useful, and more efficient in supporting the civil servants of the government?—That is a very speculative question; if you increase their sources of education and intelligence, it must undoubtedly, in the end, tend to the driving us out of the country; you are in fact telling them how they may do so.

5493. Is there any other government in India where they can have better service than the English service?—The natives, I think, are more fond of their own service, though they are not so well paid. Perhaps they are treated with more consideration.

5494. Are not the remains of ancient institutions with them gradually falling off?—Perhaps it is, by the progress of instruction. They are a very intelligent people, it is not in human nature to suppose that when you have armed their minds with all this intelligence, they will not use it.

5495. If the British government, under which they are, is better than other governments, do not you think that will be sufficient to reconcile them to it?—I do not know any other government left that has any army; Hyderabad cannot be called an independent government.

5496. They seem to remain more or less distinct?—Yes, they are so, but still a wretched government, and nothing to compare to ours.

5497. Do you not consider that the knowledge of the superiority of our institutions will be the best security for their allegiance and good conduct?—Yes, for the present generation; but in the end I have no doubt they must feel their own power and consequence. It is hardly in human nature, that they can go on with the means of intelligence, and let a handful of Europeans govern them as we do now.

5498. In your experience of India, have you ever known of any Indian judge who possessed a knowledge of the vernacular languages and provincial dialects of India, superior to what a French gentleman of education might be supposed to possess of the English language, and of its provincial dialects?—Yes, really I should say there are many gentlemen who have a superior knowledge even of the native languages to many of the natives, except the very first caste of Bengal Brahmins. There are good Sanscrit scholars among the Europeans, and some who speak all the languages with great fluency. Within these few years, since Mr. Elphinstone's government, it is impossible that any body of men could improve more than the civil servants have on that side of India.

5499. You state that there are many of the natives who might be fairly entrusted with the commission of the peace, on condition of their acting in conjunction with British justices; have you any means of forming any comparison of their power of acting in conjunction with justices of the peace in England?—I have never held the situation, and I could not judge; but I think

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think they would discharge those duties with equal advantage with any magistrates in England; I am pretty sure many of them would.

5500. They are not ignorant of English law?—No, that is, the natives of Bombay; they are not a people who, if they were ignorant, would commit themselves, they would have themselves well informed: they are a very cautious people.

5501. Do you consider that the objection which has been made against natives acting as justices of the peace, as to their being ignorant of the customs and practices, would continue for any length of time, if they were once put into the power of occupying that situation?—No, I do not think it would; I think they would qualify themselves rapidly.

5502. Should you apprehend any inconvenience would arise in consequence of any jurisdiction which the natives as magistrates, might occasionally exercise over Europeans?—Not, certainly, at the presidencies, no inconvenience whatever; on the contrary, I should think it would be highly beneficial; I should object to it decidedly in the Deccan, for the reason I have stated, that the whole population is not yet sufficiently accustomed to Europeans.

5503. You are not acquainted with the Madras population?—No, I am not; I should have no objection to it every where in the Company's old provinces, but not touching the Deccan yet.

5504. You stated that there would be no objection to conferring the same eligibility on the inhabitants of the three presidencies; are you aware of any ground of distinction with respect to the population at Madras, as compared with the two others?—No, I should think it must be equally intelligent; they have all entered largely into connexion with European society, in commerce and other pursuits. I believe Bombay is the oldest settlement, and the Parsees are certainly a different race from what they have in any number either in Calcutta or Madras; but I should think there cannot be any great difference.

5505. You rather look upon the Deccan as a discontented country at the present moment:—Undoubtedly; it is so far discontented that the people have all been put out of their places. There was a large and expensive native court, where there were lacs and lacs of rupees spent every year; nearly all the rich people have now left Poonah, and it takes time to soften and heal such great changes in any country.

5506. The benefits of that native court of wealth and influence were necessarily confined to few; do you not think that by the continuance of peace, and the introduction of the civil institutions of the Company, that will be more than counterbalanced?—The body of the people in the Deccan are fast becoming agricultural, their military habits are subsiding from necessity; as to their having any great share of commerce, I question whether there are any sources for it; they raise grain, but there are not many means of selling it; there is a little trade between Bombay and the Deccan;
sugar

sugar and indigo and opium might be cultivated ; Malwa opium is said to be the finest in the world, but I believe the trade is glutted, for the Parsees do not want capital if they had found any encouragement, and the government would have aided them in such undertakings.

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5507. In speaking of the discontent, do you conceive that it arises from the heavy revenue which is raised by the Company now, in comparison to that the natives raised, or from what cause?—I do not think the ryots are a bit worse off than they were in Bajee Row's time, but they have not the same means of getting rid of their produce.

5508. Do not you think they are better protected now, and that they pay less?—Yes ; the government, in several bad years, made remissions to them in the amount of the taxes, but still the land revenue is very heavy.

5509. Are you able to judge whether the revenue, during the last twelve years that we have had possession of the Peishwa's country, has been more or less than under the Peishwa?—Decidedly less ; Bajee Row, when he was preparing to go to war with us, assessed his country very heavily ; I have no doubt the assessments, in the first instance, were laid by us at the same rates, but we have never severely exacted them.

5510. Are the Committee to understand that was the case immediately after the country fell into the hands of the English?—Perhaps after the first year or two the collectors were obliged to be very strict, from thinking it was the habit of the ryots to evade the duties ; but when it was found to be a real evil from failure of the crops, no government in the world could be more kind than they were by remissions, according to the produce. One of the great distinctions between our government and the Mahratta government is, that we cannot receive the produce in kind, Bajee Row used to do so occasionally. The Company never can do this ; they must have the value in money, for if they preserved the grain, it would give rise to immense establishments that would be ruinous.

5511. Then that mode of procuring the revenue must have been very severe?—Yes, it is a great evil to the country, no doubt, and we have been doing everything we can to remedy it.

5512. If Indian subjects were vested with such powers as are given by law to two or more justices of the peace within the special jurisdiction of the King's courts in India, would more or less authority be confided to them than is now confided in the provinces to tehsildars or native collectors?—I do not know that I could form a comparison exactly from my own knowledge, I should say that the tehsildars have very great powers, I believe they have the power of confinement.

5513. Have they the power of corporal punishment?—Not without the consent of the collector or the judge, I believe, but I believe they can imprison.

5514. Are you not aware that no such power as corporal punishment is now inflicted?—Except by a bench of magistrates, I think.

5515. You

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5515. You consider that it would be perfectly safe to place the natives in conjunction with Europeans on the bench to inflict those punishments?—I do.

5516. Are they very ready to inflict punishments?—By no means; they are an exceedingly merciful and tender-hearted people.

5517. You have stated that the natives have not now the same means of disposing of their produce which they had under the former government, by which they have lost the advantage they then possessed; how do you account for that, considering that since we got possession of the Peishwa's country, the whole of the coast adjoining that country has been open for the export of their produce, or the import of anything else?—I account for it from the vast assemblage of rich people at Poonah, and the pilgrimages were then much more extensive than since.

5518. Is your observation confined to the capital?—Principally to the capital; all those jaghirdars had large establishments there, you would see perhaps 15,000, 20,000 and 30,000 men, all spending their money at Poonah, having money to spend, but that is all altered by the conquest.

5519. Taking the Poonah district of the country, ought not the natives under the Company's government to have as good a market for their produce now as ever they had with the natives, speaking of the country generally?—There is nobody to purchase much, excepting the military, who are paid regularly, and they circulate money, but there are no other classes of people in large receipts of the public money.

5520. Your opinion is, that until means of export are found for the produce of the country, it must remain in its present state?—Yes, and the cultivation of the country must be improved, for the dry grains are of very little value when sent out of it, and rice and salt, and what is called karana (various drugs and dry herbs) in demand in the Deccan, are the only returns.

5521. Are there any other means by which that improvement can take place than commerce?—I believe in the Southern Mahratta country there has a considerable improvement taken place in the cultivation of cotton. That might be carried to a great extent if they had capital, and will I dare say in time take off the heavy assessment from the land, and the people will have the means, perhaps, of varying their cultivation; but in the western part of the Deccan, at present, nothing is raised valuable.

5522. Does not the population of the Deccan amount to near 6,000,000? I should think fully that.

5523. Do not you think that but a very small proportion of that 6,000,000 found a consumption for their produce while the court remained at Poonah, and that from the large military establishment kept up at Poonah, they find an equal consumption for their produce there now?—I am afraid not; the only sources they have now of getting rid of their commodities are the troops

troops, that saves Poonah at present; Poonah is a large military station, and that circulates money. 6 Oct. 1831.

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5524. Until there is an introduction of trade into the country to a greater extent, you do not see any other means?—No; I do not think there can be many rich people from the general habits of the people, and the nature of their cultivation, the nature of the present general produce is not valuable.

5525. Have you found that when the natives have had an opportunity of showing their talents they have been defective?—Far from it.

5526. Then it is from want of opportunity you conceive the natives are defective?—Yes, from want of excitement and means.

5527. You say that there were many rich natives at Poonah formerly, who took off the produce of the land?—Yes; the court being there, there were a greater number of shroffs and merchants, and very rich people communicating with all India, and generally a great number of troops also.

5528. Did they derive their income from land?—Yes, the chiefs generally from the land.

5529. What has become of that class of persons?—They are still in existence, but we have limited their means, and do not allow them to keep so many men, and do not allow them to come so many together to the capital.

5530. Has there been any difference in their wealth?—Yes; I believe they have been a good deal curtailed by limitations, and the few troops they are obliged to keep up, we make them pay them, and see that they do actually keep them up. In Bajee Row's time it was greatly evaded; if they were ordered to keep up troops they just got them together time enough to bring them up, and pocketed the amount of their maintenance, perhaps, for the rest of the year; we have been more strict as to their conditions. These people used to assemble in a body two or three times a year at Poonah, to accompany Bajee Row on his pilgrimages; they now remain at home, and they are almost all involved in their circumstances.

5531. You account for the difference in the condition of the country by the discontinuance of Bajee Row's court?—I account for local depression to that cause. I believe the country of the Deccan used to yield Bajee Row a crore and seventy lacs; a great deal of that was got by his selling his districts, and the people were greatly oppressed. Afterwards, of course, we gave up that system, and I believe we have never produced anything like seventy lacs of rupees, and God knows why or wherefore; but there is exactly that depression of all the produce of the earth in India, which is overrunning all the rest of the world, and districts which yielded four or five lacs of rupees in Bajee Row's time, will not now realize a lac and a half.

5532. You would not attribute entirely the difference in the condition of that country, to any effect produced by the change in the government?—No, certainly not; I should say the condition of the people had been highly ameliorated by the government since the conquest.

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5533. You say the climate of the country is favourable to the production of cotton and other articles, if there were a demand?—Yes.

5534. It has been stated that nearly half of the Deccan is uncultivated now?—I should not think so. There is a great desire to cultivate; all the Mahrattas who served with Bajee Row are now cultivators. The foreigners went back to the different countries they came from, but the true Mahrattas are now cultivators.

5535. Do you conceive the want of security and want of confidence under those warlike chiefs has prevented that cultivation which the country was capable of?—If they had the least excitement a great proportion of the population would again take to military plunder, I have no doubt. They are now settling, and there cannot be better subjects than they are now.

5536. In one of the petitions presented to Parliament it is alleged, that the system for the administration of justice in the interior of British India is eminently defective, that it affords no adequate protection for the rights of property, scarcely any protection from personal wrongs, and in particular from false imprisonment, when committed by persons possessing public authority. Do you consider that the petitioners, from their connection with and knowledge of the interior, were competent to pronounce an opinion on this subject?—I do not think they were, and I do not think they have any reason to say that there has been any maladministration; a vigorous government for the Deccan was absolutely necessary, or we should have been at war at this moment; but I do not think that any unnecessary rigour has ever been carried on, and I think the natives of Bombay have been put up to that representation by the lawyers who got up their petition.

5537. Do you think the natives are competent to judge of the security given under the King's courts at Bombay?—Yes, in Bombay; but I think they are not competent to judge of the reasons which prevent those courts being desirable in the Deccan at present. I do not think they have considered the political circumstances on which that government has been established.

5538. You think that they are capable of judging of the increased security under the King's courts of Bombay, from that afforded in the interior of India; but you do not think they are capable of judging of the political circumstances of India which might prevent the introduction of the same justice there?—No, I do not think they have sufficient knowledge of the temper and condition of the people of the Deccan.

5539. Is not the communication between Bombay and Poonah, and all the Deccan, very frequent and intimate, and does it not extend throughout the country?—Yes; but I do not think they have been sufficiently acquainted with the character of the people, their military and restless habits, and that they do not estimate the danger sufficiently of opening to them too rapidly other laws.

5540. Have

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5540. Have not the merchants in Bombay establishments in different parts of the interior, and are they not capable of judging how far their own establishments are protected?—Of course they are, and I have no doubt they are very well protected.

5541. Are you aware of the imprisonment of Narroba Govind Oughtia, and of Dhondoo Bullol, at Poonah?—They were imprisoned immediately after the war, I think not above two or three months, upon refusing, I believe, to give up some of Bajee Row's money; there was a proclamation issued after the war, calling upon all persons to give up the money of the state; we knew there was a good deal of money in the country, and it was apprehended unless it was surrendered we should never be quiet; that they would be able to keep up little predatory parties. Is was very important to get the money surrendered; it is that money which has been in appeal here, which I have referred to, and it was found upon Narrabo, I believe, to the extent of eleven lacs of rupees.

5542. When this person was put in irons, and his clerk, was there any charge against them?—I am unable to answer whether there was any charge to justify that, except having concealed the money; but I can answer, that the Mahrattas are a people of extreme cunning, and so difficult to manage, that it was often necessary at first to apply the system in practice by their own government, to make them tell the truth, and on this occasion to yield that which was necessary to the security of the country; that I look upon as Mr. Elphinstone's motive, and this was before the civil law was established, it was while the country was under military law, and he applied the Mahratta law or practice, that which Bajee Row himself would have done under similar circumstances, judging it to be necessary for our own interests, but he introduced the system of our civil courts as early as possible.

5543. You are perfectly aware of the fact of those persons having been imprisoned, are you not?—I was not at Poonah, I was at my own headquarters forty miles off, but I know they were imprisoned.

5544. Were they not put in irons?—I think Oughtia was, I do not know whether the other was.

5545. Without any charge being brought against them, except that they were suspected or supposed to have part of the Peishwa's money?—Which by the proclamation had been ordered to be surrendered.

5546. That proclamation was a considerable time after the country was taken possession of, and when it was in a state of comparative quietness, was it not?—No, the war was considered to have terminated in July 1818, and I think the proclamation was issued in May or June previous. I came into cantonments in the month of May, and I think this proclamation was in May, but I will not be positive, but I know the object was to be as prompt as possible after the war, with a view to prevent any persons getting the

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money to keep up the war ; for as long as you pay a Mahratta he will never come in. Of the other two persons I know nothing, they were imprisoned by the adawlut in Tannah.

5547. To whom were those extensive powers committed?—The commissioner.

5548. Who was the commissioner?—Mr. Elphinstone.

5549. To whom were they delegated by the commissioner?—The collector and magistrate at Poonah, Captain Robertson, then Lieutenant Robertson.

5550. He had the power of imprisoning and putting in irons the natives of the country?—When the country was under martial law, I apprehend he had the power ; I do not suppose he had afterwards. I put him there when the war broke out, and when Mr. Elphinstone's power for a moment ceased, I put him myself in charge of the guards there, and the police, and Mr. Elphinstone confirmed the appointment when he became the commissioner, but we had no civil law at the time.

5551. Do you consider that the military law of England authorises the practice of confining men, and putting them in irons on the suspicion of having money in possession?—From my knowledge of that particular people, I say that the object of getting in that money was a very necessary measure to insure the tranquillity of the country ; for that as long as money was to be had, we could never tranquillize the country, and the Company would have been put to lacs and lacs of rupees of expense.

5552. Is it not in the power of the governor to confine any native, great or small, whom he may think proper, and such native confined has no means whatever of obtaining his release?—I believe that is the fact ; I am not able to speak of it from my knowledge of the law, but I imagine the government has that power ; but certainly it is not very likely to happen, for they have been treated with the greatest attention and kindness.

5553. Have you known any of the chiefs confined?—No, they have been treated with the greatest attention and respect.

5554. Were there none in confinement after we obtained possession?—None that I am aware of ; there was a man who could not be called a chief, I forget his name, who set up to be the heir of the throne of Sattarah, but he was considered insane, and they sent him as they did Toimbuckjee, who was the cause of the war, into honourable confinement, but nothing further.

5555. You are not aware of a man being confined in a cage?—That was for hanging Captain Vaughan and his brother ; he used them in a most cruel manner.

5556. What

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5556. What was done with him?—He was confined in the fort of Singhur; it was the fashion to call it a cage, because there was a grating to the door; but it was a very comfortable place, and officers go there now for their health from Poonah. I believe he was let out on some demand by *habeas corpus* from the court of Bombay; it was either made or threatened; I am not quite sure whether the order did not go from the Court of Directors for his release.

5557. In the same petition it is stated that at a distance of thirty miles from each of the presidencies, there are few natives who really have the slightest knowledge of those Acts of Parliament and charters passed for the security of their persons and properties; judging from your intercourse with the natives of the country, what is your opinion as to their knowledge of what law they are under?—The native inhabitants of Bombay, I should think, have pretty good knowledge in this respect: in the Deccan, certainly, they have no knowledge of Acts of Parliament; they are not in a state themselves to understand such laws.

5558. Do you think if they knew they had the power of applying to the court of Bombay for any redress of grievances, they would do it, at whatever distance?—Yes, I have no doubt they would; that is the reason I object at present to setting up a second authority; I say the people are not yet prepared for it.

5559. You think if they had the power now, they would be very anxious to remove their cause of complaint to the King's courts?—I have no doubt they would.

5560. Or to any other court of appeal whatever?—Yes.

5561. Have they any court of appeal in the Deccan?—They have the *sudder adawlut*.

5562. They may go to that?—Yes, it is now established in Bombay; there is the *adawlut* at Poonah, and they go from the *adawlut* to the *sudder*.

5563. Do you think they are as desirous to appeal to the *adawlut* as to the King's court?—They know of no other practice at present, but give them information of another, and they will go, I dare say, fast enough.

5564. Do you think the natives know that all the Company's servants, military and civil, are subject to the jurisdiction of the King's courts, wherever they may be in India?—I do not think that they know it universally with regard to civil actions; certainly, as applied to criminal actions, they do. They know that no European can commit murder, for instance; as soldiers have been frequently tried and hanged.

5565. And sent to the presidencies?—Yes.

5566. Is the administration of justice by the King's court popular with the

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the natives of Bombay, or not?—I should say certainly popular in Bombay.

5567. You do not think they would willingly exchange it for the Company's courts in the interior?—No, I apprehend not; they are too far gone; they are great lawyers now.

5568. In one of the petitions the natives of Bombay claim to be admitted into financial, territorial, and judicial offices, in common with British-born subjects; are you of opinion that such admission might be safely granted, and that it would add to the stability of the British government?—I do; and I think it is one of the most important things to be now introduced.

5569. Do you think such employment of the natives would be attended with economy, and also efficiency in the result?—Of course natives can be got to serve in those departments for much smaller sums than are paid to the civil servants; they are much more easily paid, but for many years they could not be employed exclusively; there must be Europeans mixed with them.

5570. Would they be equally efficient?—After some years I think they would; you would not take and place them in a whole department together, but gradually introduce them.

5571. In the petition of the inhabitants of Bombay, and signed by upwards of 4,000 of the most respectable of all religions, dated the 25th of January last, they state that "it is to Parliament that the natives of his Majesty's territories in India are indebted for the public institutions intended to prevent injury and insult to them, and to raise them in the ranks of society;" do you yourself consider that it is to his Majesty and the two Houses of Parliament, and not to the East-India Company, that the native inhabitants of Bombay look for a redress of their grievances, and an amelioration of their condition?—I think they have, of late years, been carefully taught to believe that Parliament and the King are every thing to them.

5572. Do they make a distinction between the King and Parliament, and the authority of the East India Company?—In Bombay they have been doing so certainly for some time; they have learnt that in the supreme court, and in the late discussions some of the judges almost told them from the bench that the court was supreme, and that the government was nothing compared to them; not in so many words perhaps, but with that tendency, Sir John Grant and Sir Charles Chambers both, I believe, held that language from the bench.

5573. Meaning that it was superior to the power of the Company?—Yes.

5574. Does not that impression, on the part of the natives, tend to diminish the authority of the East India Company?—It is so very local at present,

present, I should not say it is of much consequence while it is confined to the presidency; if it went into the interior it might be of consequence.

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5575. Supposing that impression became general throughout India, what effect would that produce on the East India Company?—It would be highly injurious to their government, no doubt; it must of course tend to bring them into contempt, and make their power questionable.

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5576. Would not such a spirit in the people of India tend to diminish the power and the authority of the Company, and consequently the obedience of the natives to that authority?—I should think it would very likely have that effect, if it spread universally.

5577. Would it tend to diminish the authority of the British nation?—That I cannot answer; I think it would be a very dangerous thing, drawing a comparison between the two authorities; I do not object to it at Bombay.

5578. Do you think, in the Deccan, the people can distinguish between the authority of Parliament and of the Company?—No; I do not think they have at present a sufficient degree of intelligence to understand it.

5579. Do you think it is advantageous to the good government of Bombay that such an opinion should prevail in Bombay itself?—No, I cannot think it can be advantageous even there; I think whatever tends to put the subjects of the country in contempt of its government cannot be advantageous or judicious; whatever the government of India is, it is administered by the sanction of Parliament, and ought to be made strong and respected, for the good government of the people; nothing can be so bad in that country as a weak government.

5580. Can the King's courts interfere at all, except in cases of complaint of oppression and injustice; and if so, how can they interfere with the government of the country?—If they could interfere in questions of *habeas corpus*, and with the chiefs in the country, and were to summon them, which Sir John Grant did (at least one of the young boys of a chief), such a power would disturb the country, because they are new to and totally unaccustomed to such interference; the local institutions come nearer to those they have been long governed by.

5581. Do you not know that the same feeling towards the King and Parliament prevails in Calcutta, and that Calcutta and Bombay are the most orderly and best governed portions of India?—I have no doubt that they are well informed of the power of Parliament in Calcutta and Bombay.

5582. What is the mischief likely to result from their knowing the difference between the King's and the Company's power?—Chiefly from their own ignorance, that they are not able to appreciate the difference, and that such confused notions of power might mislead them into rebellion against the existing government; I do not deny they may have a just knowledge of the distinction at the presidencies, there they are an entirely different

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different population. The government of India is established by Parliament, and I cannot conceive it desirable that that government should be brought into contempt, by setting up any superior authority.

5583. Have you ever served in the British colonies?—Yes.

5584. Do you conceive that any inconvenience arises from the knowledge of the inhabitants of those colonies, that the local government is not supreme, but subject to the authority of the King and Parliament in England?—I should say certainly not; but the colonies are totally different, they are almost all European in their descent. It is not that I disapprove of the institution of the King's courts, but that I disapprove of its application to 5,000,000 or 6,000,000 of people, not in a state of intelligence to appreciate its blessings; the King's court I understand perfectly well, it is a fine institution, but I would not misapply it; it would be easy, perhaps, to refer to Madras and Bengal, how long it took to apply the power of English law to conquered provinces; we have conquered the Deccan only about twelve years.

5585. Do you suppose that natives in the interior of India have a distinct notion that there is a supreme authority here, and that the authority of the Company in India is not supreme?—In the interior of the country I have been accustomed to, I should say that they have not that knowledge, that they do not think there is any power superior to the Company's; that is my impression.

5586. What do you suppose to be the degree of knowledge upon that subject among the natives at present at Bombay?—They have a large knowledge of it, and are perfectly aware of the comparative power of the Crown and Company.

5587. They are aware of the distinction?—Decidedly; they have had an example of it before them for many years in the King's court.

5588. The question refers to the supreme Government here?—Yes, they are much more enlightened; the judges have repeatedly told them that the whole of that country is subject to this country, and that the Parliament and King are supreme over all.

5589. Will you refer to the signatures of the petition of September 1829, are they all Parsees?—No, there are a good many Hindoos, and some Mussulmen.

5590. Were you in Bombay when this petition was resolved upon?—I was serving under that presidency.

5591. Do you know any thing of the circumstances of the meeting?—I do not.

5592. Were you in Bombay on the 15th of January 1831, when the other petition was signed?—I left Bombay in December 1830.

5593. Is not the presidency of Bombay very peculiar, not only as distinguished

guished from the other territories under the presidency of Bombay, but as distinguished even from the other capital towns?—Yes; I suppose it is the greatest resort of varied Asiatics of any spot in India; Arabs and Persians, Scindians and people of all other countries come there to trade.

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5594. Is there not more English spoken among the inhabitants of Bombay than of Madras or Calcutta?—I am not able to answer that question distinctly, but I should think so; all the Parsees I have known speak English.

5595. Do you conceive it is fair to argue from the state of society or circumstances affecting Bombay, to any other parts of India?—I do not know that I could usefully answer that question, as I am not acquainted with other parts of India; my opinion would go to this, that they are the most intelligent of any natives of India, they have had more opportunities of intercourse with those of other countries.

5596. Among the less informed of the natives of India, is not the expression “Company” used to express the supreme power of the government, and in no other sense?—Yes, certainly, how should it be otherwise; “Company Behader” is the expression.

5597. Do you think that any great inconvenience would arise from substituting the authority of the Crown, and having only one authority instead of two in India?—I do not see any great inconvenience so far as the appellation goes; it would take a long time perhaps before the appellation was understood, they have been so many years accustomed to call everything by the name of the Company, what effect that might have on their government is another question, but whether they were called Company’s or King’s, I do not think they would care a farthing.

5598. Has it been the feeling of the natives in India to submit to the ruling power, whatever it may be?—Undoubtedly.

5599. From what you have seen in the Island of Bombay of the various descriptions of natives of India, are you not able to form a pretty correct estimate of the characters of the countries to whom those people belong?—I think they are a highly interesting people, capable of being made anything of. I have no reason in the world to say or think of them otherwise.

5600. What is your opinion of the moral character of the natives of India generally?—I think, considering the disadvantages they have been under many years, not those of Bombay, but those above the ghauts, where they have had formerly a very vicious government, they are a very good people; and in my opinion they have been greatly belied by all those who have written about them.

5601. Are they a cruel people?—By no means; all their chiefs were of rude military habits, which made the body of the people what they were, rude and violent; but they are essentially a good people, and where they have taken to cultivation, they are one of the most quiet orderly people I

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have ever lived amongst. In my own cantonment I had generally before the war upwards of 30,000 followers, and for four years we had only four capital crimes; what the punishments were I do not know, for we sent them to the Peishwa, we had not then any criminal law of our own; I do not believe there are many parts of Europe which could boast of such absence of crime.

5602. In the petition just referred to, it is stated that the King's courts of justice, in the execution of their processes and orders, have always been scrupulously observant of the religious doctrines, rites and observances, and of the manners and usages of the natives; as far as your own knowledge extends, do you consider this statement as well founded?—I have no reason to say otherwise; I should suppose the Europeans who presided in those courts would not be so foolish as to slight them, for they would never be respected by them if they did. I cannot conceive any one so foolish as to slight their prejudices and to expect to be respected.

5603. In the same petition it is stated, that “the experience of more than half a century at Calcutta, and of more than a quarter of a century at Madras and Bombay, has proved that life, property, character and personal liberty can be protected by his Majesty's courts of justice, without violation of the religions, manners and ways of the natives;” do you consider that the gradual extension of English law administered by professional judges to the provinces subject to the Bombay presidency, would give additional security to the persons and property of the native inhabitants, and tend to secure their attachment to the British Government?—I should certainly have no objection as long as it was gradual, but by that I would not infer that the persons and property of those subject to the government regulations, the inhabitants of the Deccan, are not now perfectly protected; ultimately, for the benefit of the people, by similar and equal justice, I should be glad to have the King's courts all over India.

5604. You do not agree with the petitioners that property is not so secure in the interior as at Bombay?—No, decidedly not; I am convinced it is quite as secure.

5605. In the same petition it is stated that the authority claimed by the local governments of India, of making and repealing laws, civil and criminal, of making and annulling courts of justice, and in short of legislating absolutely over the natives residing beyond the ordinary jurisdiction of the supreme court, has been the great cause of the degradation of the natives in question, and of stamping upon them the character of a conquered, distinct and degraded people. Do you concur in the opinion so expressed?—No, I do not, upon my honour; on the contrary, I consider that that power is necessary in every new conquered country; in India, I should say, the power the Company have of making reasonable laws, is absolutely necessary; I would not continue it indefinitely.

5606. You

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5606. You are aware that the Company have been in possession sixty years of those parts of the country; do you consider your observation applicable to those parts?—I do not personally know any part which has been settled so long as sixty years; I should be sorry to see the power removed in the districts where I have lived in the Deccan, I should think it a necessary power.

5607. How long should you think it necessary to continue it?—For a generation at least; they are educating very fast, I think they are getting more contented and settled, and subservient to English laws.

5608. You limit your objection to the period when education shall be complete?—Yes, to those who have lived under arbitrary government.

5609. In proof of the assertion just quoted, the petitioners refer to the criminal code of Bombay, which they state to be “vague in its language; that it regulates too much in detail the actions of the natives; that it abounds in severe discretionary punishment, by way of fine or imprisonment, or both; that it has an endless repetition of commutation of imprisonment for a fine; that the truth of facts is left to the decision of the British judge, without any effectual control in persons of the description of the accused; and that the judge has no sympathy with the persons subject to his criminal jurisdiction.” Does this character of the criminal code consist with your knowledge of it?—No, I think it is very severe and unjust; I do not know why they should say that the judge has no sympathy with them; I do not believe there is a better set of public servants in the world than those in Bombay. I should say it was a very severe and unjust imputation; I do not think there are a more honourable or assiduous class of men in any part of the world than the Company’s servants in Bombay. Mr. Elphinstone has taken the greatest pains to have them carefully instructed and qualified for their situations; I have lived among the natives a good deal, and am fond of them; I have heard their sentiments a good deal, and never heard a complaint against their superiors in the Deccan; they like some of course better than others.

5610. It is stated in the same petition, that throughout the judicial regulations of the Bombay government, there is not one on the principle of the writ of *habeas corpus*, and that this is in strong contrast with the criminal jurisdiction at the presidencies. Does this assertion consist with your knowledge?—I have been in the Deccan, where I would not wish them to have it just now, I do not see why they should not have the *habeas corpus* where they have been long accustomed to the English law, and are accustomed to our civil institutions.

5611. There is another assertion, that the gentlemen appointed judges in the courts in the interior are extremely deficient in the knowledge necessary to perform their duties; that they have no strong motive to stimulate them to acquire the necessary qualifications, and that this is a fundamental and incorrigible vice in the judicial system. Does this assertion on the part of

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the petitioners consist with your knowledge?—I have no reason in the world to say that was the case. I know they change them about from one department to another, that is perhaps an inconvenience, but it must be considered that those judges are not required to be deep-read lawyers, only to have a knowledge of the regulations and a sense of justice.

5612. They say that the change from one department to another in the civil service, is too frequent to admit of the necessary ability in the judge; that at one time he is a ministerial officer at the presidency; at another employed in the judicial department in the provinces; at another in the collectorate in the provinces; and at another in the political department. Does this assertion consist with your knowledge?—I have no doubt of the practice, and I dare say it is a very inconvenient one, but one that might easily be remedied I should imagine.

5613. They also state that the chief judge of the supreme court of appeal in civil and criminal cases, was a gentleman who was never in the judicial department until he was made chief justice of those courts; are you aware of this fact?—That is merely nominal; the junior member of council is president, or supervises the decisions of the sudder adawlut. It does not require to be a great lawyer, he is only required to see that the others have given a fair attention to the examinations, and a good judgment upon them; he has no individual power whatever, it is his situation as member of council that is supposed to render him superior to any kind of bias whatever.

5614. It has been in evidence before this Committee, with reference to the relative degree of intelligence of the natives in Calcutta, Madras and Bombay, that it was difficult to distinguish between them in the degree of intelligence of either place; what is your experience?—I have no knowledge of Calcutta; the inhabitants of Bombay I should say are very superior in intellectual attainments to those of the Deccan, they have had more advantages.

5615. Compare them with the inhabitants of any town in this country?—I should say they are quite equal, if not superior to them; they are an uncommonly sharp and intelligent people.

5616. What do you think would be the effect on public feeling of giving the natives a power of deciding on the crimes committed by Christians?—I think the Europeans in general at first would be displeased at it, there is a tone of course in proportion as they are ignorant of the natives, of superior feelings, a superiority which perhaps would make them shrink from coming in close contact with them in the exercise of such duties, but that ought to be done away; and it is to give them a beginning and make the Europeans come in contact more with the people of the country, that I think the greatest good may be done to the country. They would resist a little I think at first; some of them are very haughty, some of them dislike natives,
but

but do that away by bringing them together by law, and one party will feel himself more respectable, and both in the end be satisfied.

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5617. At present there is a limitation, that no native can be on a jury where Christians are to be tried; if that limitation was removed, and they were permitted to sit on juries on Christians, what do you think would be the effect?—I do not think you would get an exclusive native jury to sit on the trial of a Christian, that they would revolt at it; but that they would have no objection to sit half natives and half Christians; they are extremely kind and respectful in their feelings towards Europeans, and I think they would object to sitting entirely on the trial of any Christian, lest they should be considered to be harsh and vindictive.

5618. Would there be any feeling on the part of Europeans in acting with natives on this service?—Perhaps at first they would object, in proportion as some men find it very difficult to conquer old tastes and prejudices; the greatest fault of Europeans in India is, that they are a little too aristocratical or distant, and keep aloof from the natives, not mixing half enough with them.

5619. Would you have any objection to be tried by a jury of natives?—No, I should not myself; but I think I am, perhaps, an exception to most.

5620. Are you aware that merchants, and other European individuals, not in the service of the East-India Company, are desirous of seeing the natives eligible to serve on petit and also on grand juries?—I do not think I can say that I am positively aware of the fact; I think it very likely; for those persons, the merchants, are much more dependent on the natives, and come more in contact with them, and are more familiar with them, and understand them better than those men who hold public offices, and are perhaps obliged to keep them at a greater distance.

5621. Can they, generally, conduct the affairs of government, without the assistance of natives?—All the details of the public offices are, I believe, done by natives.

5622. Do you think there is any force in the objection that giving natives any power, of the nature referred to, over Europeans, would degrade the Europeans in their estimation?—I do think the Europeans at first would revolt at it generally; under that apprehension, and from want of that confidence in them, which however would arise from the natives' good conduct in improved circumstances.

5623. Do you mean mixed with Europeans?—In either case, if they were tried for their lives by any proportion of natives, most Europeans, I think, would; I do not say that they would be justified in doing so, but they would object to being tried by "a damned black rascal," as they would call him.

5624. You have said that the people generally have advanced in knowledge and intelligence during the last few years?—Yes, to a great degree.

5625. Are

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5625. Are you speaking of the whole population of the country?—Yes; a school was established in the Deccan before I came away, and I had an immense number of applications to get poor boys in from my native friends; and in Bombay it has been going on for many years, and is on a most beautiful footing on the Lancasterian system.

5626. Do you consider that the people consider themselves degraded by not being admitted into the superior offices?—I think they must feel it.

5627. Is that not likely to increase with their increasing intelligence?—Most decidedly, it must increase.

5628. How, is it to be met if that is so?—Let them participate in the administration of the country, I should say.

5629. Should you say it would be safer for the government of this country to allow that intelligence to increase under that feeling of separation from the English, or to attempt to identify the natives and the English?—I think the first effect of it will certainly be, that it will tend to identify and make the people happy; I think that the ultimate end, when you have succeeded in educating a large proportion of the people will be, that they must find by every amelioration that you can give them, that they are still a distinct and degraded people, and if they can find the means of driving you out of the country they will do it.

5630. Can you prevent their finding out their strength?—I think the circumstance is so unprecedented in the history of man, that a handful of foreigners should continue to govern a country of sixty millions, which is fashionably called the empire of opinion, that the moment you have educated them, they must feel that the effect of education will be to do away all the prejudices of sects and religions by which we have hitherto kept the country, the Mussulmen against Hindoos, and so on; the effect of education will be to expand their minds, and show them their vast power.

5631. Would not the abolition of the existing disqualifications of natives, which they feel to be a degradation, and their fair participation with Europeans in all the advantages of our civil institutions in India, be a material corrective of such a tendency arising out of education?—For a time, as I have said before, no doubt it will.

5632. Would it not identify them with British dominion, and give them a common interest in preserving it, which they do not now feel?—To a certain extent it might do so.

5633. Do you not consider that such securities for the attachments of the inhabitants of India, would be both more honourable to the country, and more to be permanently depended upon, than any attempts to govern India by keeping its natives in darkness and ignorance?—I would decidedly enlighten them as much as possible; but then you lose the country.

5634. Supposing any rival European power were to find its way into India, would it not, by holding out the abolition of the existing disqualifications of natives,

natives, find the certain means of seducing them from their allegiance to us? —If they can once establish themselves, of course it would depend vastly on the power; they know there is no European power like ours, likely to conquer the country.

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5635. Would it not have a great effect on the minds of the natives, if any nation were to promise that they would remove those disqualifications?—I dare say it might, it would be bad policy to leave them the opportunity.

5636. Supposing those disqualifications were removed in time by ourselves, would any inducement remain to the people of India to prefer the dominion of any other European power?—No, I do not think any European power could have any influence with them, if we use our power properly, by giving them a participation in the government of the country, and promoting education and civilization.

5637. Do you think it possible for any two rival European nations to have possessions in the same districts of India, without provoking war between those nations; would they remain at peace in the same district?—No, all the example has been against that; France and England, whenever they had such districts, have local wars, without the mother countries participating.

5638. With reference to the preceding question, no such influence could be produced as that which is suggested, of promised indulgences and favours given by one nation, and not promised by the other?—No, unless it was the prelude to a powerful invasion, and that we had an immense Russian army on the banks of the Indus, and sending all over India, that they would relieve the people of India from our rule; but I question whether it would have any effect.

5639. If in the progress of time India were to become sufficiently instructed to understand the principles of the Christian religion, and to comprehend the nature of government, such as that which belongs to the British Constitution, is it your opinion that in that state of civilization India would permit itself for any length of time to be governed by the authority of England?—No, I should say not; taking the history of nations, that they would feel the value of governing themselves; it is human nature, I think, that they should.

5640. Is it not the case that in that state of civilization which you contemplate as of advantage, the British dominion in India must also be contemplated by you as to cease?—I have expressly said, that I think the effect of imparting education will be to turn us out of the country.

5641. If that should take place, are you prepared to say that India may not be of more value to us than it now is?—By no means; America has been of more value to us separate than as a colony.

5642. What portion of the population of India is most attached to the British rule, whether the most ignorant or the most intelligent; or, in a word, is there any part of India with which you are acquainted, where the attachment

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attachment to the British government is so strong as at Bombay?—I should say the most intelligent; I look upon it the people of Bombay, who are intelligent and well educated, have higher expectations from those advantages, and look up to government with more confidence to derive those advantages, therefore, that they must have stronger excitement of loyalty and affection to government, than those who are perfectly ignorant.

5643. Are the Committee to understand your opinion to be, that in proportion as India becomes civilized and instructed, there would be a desire for independence?—I should think there naturally would.

5644. Even if that independence took place, you are not prepared to say that India might not be equally valuable to England as it now is?—Certainly not; there would not be such an outlet for gentlemen's sons for appointments and things of that kind, but I should think the profit of the country would be as great, there would be none of the expense and all the advantages.

5645. You are aware that the Mahometans occupied the supreme government of India for 700 years?—Yes.

5646. What leads you to think that India may not be connected with us as a colony of this country for the same period?—The very effect of educating them, which the Mahometans did not, would make the difference; the letting them know their own strength, that they must feel their own power, and the consequence must be the natural desire of turning every white face out of the country.

5647. How do you think it would answer to have mixed juries, in the same manner as is usual in this country on the trial of foreigners?—I can see no objection to it whatever; I think it would be a very good regulation.

5648. In your opinion is not the conciliatory and favourable opinion of the natives towards our Government of much more importance than that of the Europeans?—Yes, most decidedly; these things must be introduced I think some time or other, and in my opinion the sooner the better.

I N D E X

TO THE

THIRD REPORT,

AND

M I N U T E S O F E V I D E N C E

TAKEN BEFORE THE

SELECT COMMITTEE

OF

THE HOUSE OF COMMONS,

17th FEBRUARY to 6th OCTOBER 1831.

I N D E X.

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